WILLOW BIOSCIENCES INC.

ANNUAL INFORMATION FORM

FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2020

Dated March 30, 2021

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GLOSSARY

Certain terms and abbreviations used in this Annual Information Form are defined below:

"**2020 Warrants**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2020*";

"**ABCA**" means the *Business Corporations Act* (Alberta);

"**Acceleration Right**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2020*";

"**AIF**" means this annual information form dated March 30, 2021, for the Company's financial year ended December 31, 2020;

"**Amalgamation**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2019*";

"**AMRI**" means Albany Molecular Research, Inc.;

"**API**" means active pharmaceutical ingredient;

"**Arrangement**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2019*";

"**BCBCA**" means the *Business Corporations Act* (British Columbia);

"**BioCan**" or "**Willow Analytics**" means BioCan Technologies Inc., which changed its name to Willow Analytics Inc. following the Arrangement;

"**Board**" means the board of directors of the Company;

"**Burnaby Site**" has the meaning ascribed thereto in "*Description of the Business of the Company – Facilities and Operations*";

"**Canasia**" means Canasia Clone Property Corp.;

"***Cannabis Act***" means the *Cannabis Act*, S.C. 2018, c. 16, and its regulations;

"**Cariboo Claims**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Events Before the Financial Year Ended December 31, 2019*";

"**CBCA**" means the *Canada Business Corporations Act*;

"**CBD**" means cannabidiol;

"**CBG**" means cannabigerol;

"**Common Shares**" means the common shares in the capital of the Company;

"**Company**" or "**Willow**" means Willow Biosciences Inc.;

"**Consolidation**" has the meaning ascribed thereto in "*Note on Common Share Consolidation*";

"**CPG**" means consumer packaged goods;

"**CSE**" means the Canadian Securities Exchange;

"**DEA**" means the U.S. Drug Enforcement Administration;

"**DMCL LLP**" means Dale Matheson Carr-Hilton LaBonte LLP;

"**Epimeron**" means Epimeron Inc.;

"**Epimeron Shares**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2019*";

"**Epimeron Subsidiaries**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2019*";

"**Epimeron USA**" means Epimeron USA, Inc.;

"**Financing Warrants**" means warrants to purchase Common Shares issued in connection with the Private Placement;

"**Intrexon**" means Intrexon Corporation;

"**Investor Rights Agreement**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2019*";

"**JDA**" has the meaning ascribed thereto in "*Description of the Business of the Company – Strategic Partnerships*";

"**Moosehead Claims**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Events Before the Financial Year Ended December 31, 2019*";

"**Mountain View Site**" has the meaning ascribed thereto in "*Description of the Business of the Company – Facilities and Operations*";

"**NI 51-102**" means National Instrument 51-102 – *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

"**NI 52-110**" means National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators;

"**Noramco**" means Noramco, Inc.;

"**NRC-IRAP**" means the National Research Council of Canada Industrial Research Assistance Program;

"**Odyssey**" means Odyssey Trust Company;

"**Options**" means options to acquire Common Shares;

"**Preferred Shares**" means the preferred shares in the capital of the Company;

"**Private Placement**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2019*";

"**Reorganization**" has the meaning ascribed thereto in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2019*";

"**Research Licence**" has the meaning ascribed thereto in "*Description of the Business of the Company – Regulatory Framework – Canada*";

"**Serturner**" means Serturner Corp.;

"**Shareholders**" means the holders of Common Shares;

"**Testing Licence**" has the meaning ascribed thereto in "*Description of the Business of the Company – Regulatory Framework – Canada*";

"**THC**" means tetrahydrocannabinol;

"**TSX**" means the Toronto Stock Exchange;

"**TSXV**" means the TSX Venture Exchange;

"**Tuatara**" means Tuatara Capital, L.P., a sector-focused cannabis private equity firm;

"**U.S. Research Approvals**" has the meaning ascribed thereto in "*Description of the Business of the Company – Regulatory Framework – USA*";

"**Units**" means units of the Company, each consisting of one Common Share and one Financing Warrant;

"**Varin Cannabinoids**" means tetrahydrocannabivarin (THCV), cannabidivarin (CBDV) and cannabigerovarin (CBGV); and

"**Vindolon**" means Vindolon Inc.

CONVENTIONS

Unless otherwise indicated, references herein to "$" or "dollars" are to Canadian dollars. All financial information with respect to the Company has been presented in Canadian dollars in accordance with International Financial Reporting Standards.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

Certain statements contained in this AIF may constitute forward-looking statements. These statements relate to future events or the Company's future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "plan", "continue", "estimate", "expect", "may", "will", "project", "predict", "potential", "intend", "could", "might", "should", "believe" and similar expressions. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. The Company believes that the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this AIF should not be unduly relied upon by investors. These statements speak only as of the date of this AIF and are expressly qualified, in their entirety, by this cautionary statement.

In particular, this AIF may contain forward-looking statements pertaining to the following:

- expectations as to the Company's business strategy and future operations;
- expectations as to the size and value of the global market for cannabinoids;
- the expected benefits of yeast-based cannabinoid production over plant-based cannabinoid production;
- the ability of the Company to execute on its strategy and the anticipated benefits of such strategy;

- treatment under governmental regulatory and taxation regimes;
- laws and regulations and any amendments thereto applicable to the business of the Company and the impact thereof;
- the medical benefits, viability, safety, efficacy, dosing and social acceptance of cannabinoids;
- the growth of the cannabinoid industry;
- the Company's financial position and future prospects;
- reliance on third parties and partners and expected benefits from strategic relationships;
- expected operating costs, general and administrative costs, costs of services and other costs and expenses;
- ability to meet current and future obligations; and
- ability to obtain financing on acceptable terms or at all.

With respect to forward-looking statements contained in this AIF, the Company has made assumptions regarding, among other things:

- success of the Company's business strategy, including research and commercialization milestones, partnerships and other strategic activities;
- success of the Company's research programmes concerning biosynthetic production of cannabinoids;
- success of the Company's commercialization efforts, including negotiations with potential customers and suppliers;
- success and impact of strategic relationships;
- cost reductions and operating efficiencies created by yeast-based cannabinoid production;
- impact of increasing competition;
- timing and amount of capital expenditures;
- future operating costs;
- reliance on key inputs;
- success of quality control systems;
- ability to obtain and protect intellectual property;
- product liability;
- government regulations, including future legislative and regulatory developments involving recreational cannabis and cannabinoids and the timing thereof;
- timing for receipt of applicable licences and approvals;
- maintenance of applicable licences and approvals;
- changes to laws regarding the recreational use of cannabis and cannabinoids and the impact on the Company's business strategy;
- demand for cannabinoid products and corresponding forecasted increase in revenues;
- the effect consumer perception of the medical-use and adult-use of cannabis will have on the market price of cannabinoid-related products;
- the size of the recreational cannabis market, including cannabinoid-related products;
- the legislative and regulatory environments of the jurisdictions where the Company carries on business;
- the ability of the Company to obtain and retain qualified staff, services, supplies and equipment in a timely and cost-efficient manner;
- conditions in general economic and financial markets; and
- the Company's ability to obtain additional financing on satisfactory terms.

The Company's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth below and elsewhere in this AIF:

- success of the operations, including research objectives, plans and milestones, of the Company;
- success and continuation of strategic relationships;
- ability of the Company to execute its business strategy;

- legislative and regulatory environments of the jurisdictions where the Company carries on business or has operations;
- ability to obtain and maintain required approvals and licences;
- federal, state, provincial and municipal government cannabis regulation and changes thereto;
- actions taken by governmental authorities, including increases in taxes and changes in government regulations;
- impact of competition and the competitive response to the Company's business strategy;
- the risks of the cannabis industry, such as regulatory risks and increasing competition;
- timing and amount of capital and other expenditures;
- the effect of any future litigation proceedings on the Company's business; and
- the other factors considered under "*Risk Factors*" below.

The Company has included the above summary of assumptions and risks related to forward-looking information provided herein in order to provide investors with a more complete perspective on the Company's current and future operations and such information may not be appropriate for other purposes.

Readers are cautioned that the foregoing lists of factors are not exhaustive. The forward-looking statements contained herein are expressly qualified by this cautionary statement. Except as required by applicable securities laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements and readers should also carefully consider the matters discussed under the heading "*Risk Factors*" below.

The forward-looking statements or information contained herein are made as of the date hereof and the Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

NOTE ON COMMON SHARE CONSOLIDATION

On May 17, 2019, the Company consolidated all of the Common Shares on the basis of one (1) post-consolidation Common Share for each twenty-five (25) pre-consolidation Common Shares (the "**Consolidation**"). Unless otherwise indicated, all references to the number of Common Shares and other securities of the Company and the prices thereto prior to the Consolidation date have been restated to reflect the Consolidation. As a result, restated figures may be slightly greater than or less than their pre-consolidated equivalent due to rounding.

CORPORATE STRUCTURE

Name, Address and Incorporation

The Company was incorporated on April 15, 1981, under the BCBCA as "Haultain Resources Inc.". On September 19, 1986, the Company changed its name to "Canasia Industries Corporation". On February 5, 1992, the Company increased its authorized capital from 10,000,000 Common Shares to 100,000,000 Common Shares without par value, and on March 12, 2008, the Company increased its authorized capital from 100,000,000 Common Shares without par value to an unlimited number of Common Shares without par value and an unlimited number of class A preference shares without par value. On January 23, 2013, the Company changed its name to "Makena Resources Inc." On March 24, 2017, the Company consolidated its issued and outstanding Common Shares on the basis of twenty (20) pre-consolidation Common Shares for one (1) post-consolidation Common Share.

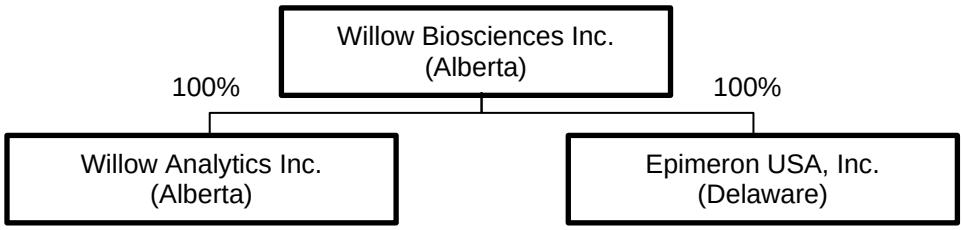
In connection with the Arrangement, the Company completed: (a) the Name Change to "Willow Biosciences Inc." on April 12, 2019; (b) the Consolidation on May 17, 2019; and (c) the Continuance under the ABCA on June 21, 2019. On June 30, 2019, the Company completed the Amalgamation. For more information, see "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2019*".

The Company is a reporting issuer in all of the provinces of Canada except Québec.

The Company's head office is located at 202, 1201 5th Street S.W., Calgary, Alberta T2R 0Y6. The registered office of the Company is located at 4300 Bankers Hall West, 888 – 3rd Street S.W., Calgary, Alberta T2P 5C5.

Intercorporate Relationships

The following diagram describes the intercorporate relationships among the Company and its subsidiaries as of the date hereof:



Willow Analytics was incorporated on February 24, 2012, as "Dover Capital Inc." under the BCBCA. On July 3, 2014, Willow Analytics changed its name to "Gran Toro Energy Inc." and, on October 21, 2014, changed its name to "Torenco Energy Inc." On October 22, 2014, Willow Analytics continued out of British Columbia and into the jurisdiction of Canada under the CBCA. On August 31, 2017, Willow Analytics changed its name to "BioCan Technologies Inc.". In anticipation of the Arrangement, on April 12, 2019, Willow Analytics continued out of the jurisdiction of Canada and into the jurisdiction of Alberta under the ABCA. On April 30, 2020, Willow Analytics changed its name to "Willow Analytics Inc."

Epimeron USA was incorporated on October 26, 2015 under the laws of Delaware.

GENERAL DEVELOPMENT OF THE BUSINESS

Three-Year History

Events Before the Financial Year Ended December 31, 2019

In May 2018, the Company acquired a 100% interest in 641 hectares of land prospective for gold in the Cariboo region of British Columbia (the "**Cariboo Claims**").

In August 2018, the Company acquired all of the issued and outstanding common shares of 1174697 B.C. Ltd., which held an interest in certain mineral claims located in Central Newfoundland (the "**Moosehead Claims**").

Financial Year Ended December 31, 2019

On April 12, 2019, the Company acquired all of the issued and outstanding common shares of BioCan ("**BioCan Shares**") and Epimeron ("**Epimeron Shares**") by way of a court-approved plan of arrangement (the "**Arrangement**") under Section 193 of the ABCA. Under the Arrangement: (a) each outstanding BioCan Share was exchanged for 7.301 Common Shares; and (b) each outstanding Epimeron Share was exchanged for 577.153 Common Shares, through the issuance of an aggregate of 857,142,858 Common Shares (on a pre-Consolidation basis). The Arrangement resulted in BioCan and Epimeron becoming wholly-owned subsidiaries of the Company. In connection with the Arrangement, the Company changed its name from "Makena Resources Inc." to "Willow Biosciences Inc." (the "**Name Change**").

Concurrent with the Arrangement, the Company: (a) completed a non-brokered private placement of Common Shares and Units for gross proceeds of $29.0 million, including a strategic investment of $12.1 million in Units by Tuatara (the "**Private Placement**"); and (b) appointed a new management team and the board of directors. Pursuant to the Private Placement, the Company issued an aggregate of 828,571,429 Common Shares and Units at a price of $0.035 per Common Share or Unit, as applicable, for aggregate gross proceeds of $29.0 million (on a pre-Consolidation basis). Units were issued to subscribers that are members of the new management team and board of directors, together with certain additional subscribers identified by such persons, and Common Shares were issued to all other subscribers. Each Unit was comprised of one Common Share and one Financing Warrant. Subject to the certificates representing the Financing Warrants, each Financing Warrant entitles the holder to purchase one Common Share at a price of $0.875 for a period of five years. For more information on the terms of the Financing Warrants, see "*Description of Share Capital – Financing Warrants*". In connection with the Private Placement, Willow entered into an investor rights agreement (the "**Investor Rights Agreement**") with Tuatara pursuant to which, among other things, Tuatara is entitled to certain director nomination and pre-emptive rights. In particular, Tuatara has the right to designate one director nominee for election to the Board and two observers of the Board for so long as Tuatara beneficially owns, directly or indirectly, in the aggregate, 10% or more of the issued and outstanding Common Shares (on a fully-diluted basis). Tuatara's current director nominee is Al Foreman. The Investor Rights Agreement also includes customary pre-emptive rights in favour of Tuatara pursuant to which in the event of a proposed distribution or issuance of Common Shares or other securities convertible or exchangeable into Common Shares (other than Options or other securities issued under security based compensation arrangements), the Company will grant Tuatara the right to subscribe for that number of Common Shares, or, as the case may be, for securities convertible or exchangeable into Common Shares, on the same terms and conditions, including the same subscription or exercise price, as applicable, so that Tuatara may continue to maintain its pro-rata equity ownership interest in the Company.

Concurrent with the Arrangement, the Company disposed of all its remaining mining assets by:

(a) relinquishing the Cariboo Claims and writing off $168,000 of acquisition costs associated with the Cariboo Claims as at March 31, 2019; and

(b) selling to an arm's length third party: (i) 10,200 common shares in the capital of Canasia, representing all of the issued and outstanding shares of Canasia; (ii) 925 common shares in the capital of 1174697 B.C. Ltd., representing all of the issued and outstanding shares of 1174697 B.C. Ltd.; and (iii) the Moosehead Claims held directly by the Company.

On May 2, 2019, Troy Talkkari joined the Company as Vice President, Corporate Development.

On May 17, 2019, the Company completed the Consolidation. The trading of the Common Shares on a post-Consolidation basis commenced on May 21, 2019.

On May 27, 2019, Tuatara acquired 9,219,390 Common Shares pursuant to the exercise of Financing Warrants issued under the Private Placement for proceeds to the Company of $8,066,966.67.

On June 4, 2019, the Company entered into the JDA with Noramco. For more information on the JDA, see "*Description of the Business of the Company – Strategic Partnerships*", below.

On June 21, 2019, the Company changed its financial year-end from June 30 to December 31 (the "**Change in Year-End**") to be the same as the financial year-end of BioCan, the "acquiror" under the Arrangement according to International Financial Reporting Standards.

On June 21, 2019, the Company continued out of the jurisdiction of British Columbia, under Section 308 of the BCBCA, to the jurisdiction of Alberta, under Section 188 of the ABCA (the "**Continuance**").

On June 30, 2019, the Company completed a vertical short-form amalgamation with Epimeron and Epimeron's two wholly-owned subsidiaries, Vindolon and Serturner (the "**Epimeron Subsidiaries**"), pursuant to Sections 181 and 184 of the ABCA, resulting in Willow, Epimeron, Vindolon and Serturner continuing as the same entity (the "**Amalgamation**", and, together with the Consolidation, Change in Year-End and Continuance, the "**Reorganization**").

On October 25, 2019, the Company received the U.S. Research Approvals from the DEA. For more information, see "*Description of the Business of the Company – Regulatory Framework – USA*".

On November 5, 2019, the Company commenced trading on the OTCQB Venture Market under the ticker "CANSF".

On December 5, 2019, the Company commenced trading on the TSX under the ticker "WLLW" and concurrently delisted from the CSE.

Financial Year Ended December 31, 2020

On February 4, 2020, Willow Analytics received the Research Licence, which enables a broad scope of work on cannabis plants and heterologous expression systems. For more information, see "*Description of the Business of the Company – Regulatory Framework – Canada*".

On February 7, 2020, the Company appointed Dr. Peter Seufer-Wasserthal as independent Chairman of the Board and Dr. Joseph Tucker as Chief Operating Officer of the Company. Dr. Tucker previously served as Executive Chairman and Dr. Seufer-Wasserthal previously served as an independent Director of Willow. On March 15, 2020, Dr. Joseph Tucker ceased to be Chief Operating Officer and a director of the Company.

On February 26, 2020, the Company signed an agreement with AMRI to work on the downstream and upstream process development of its cannabinoid programs and to commence working on the scale-up of the Company's first fermentation derived cannabinoid. On March 12, 2020, the Company delivered its proprietary cannabinoid-producing yeast strain to AMRI. For more information, see "*Description of the Business of the Company – Strategic Partnerships – Albany Molecular Research, Inc*.".

On March 2, 2020, Willow Analytics received the Testing Licence, which enables a broad scope of analytical testing services and commercial activities. For more information, see "*Description of the Business of the Company – Regulatory Framework – Canada*".

On March 12, 2020, the Company achieved its first major commercial milestone by delivering a cannabinoid-producing yeast strain to its scale-up development partner, AMRI, to begin the process of scaling up production of commercial volumes.

On April 7, 2020, Dr. Chris Savile was promoted to Chief Operations Officer and Dr. Peter Facchini ceased to be the Chief Scientific Officer of the Company.

On July 22, 2020, the Company commenced trading on the OTCQX Best Market under the ticker "CANSF".

On July 29, 2020, the Company announced that it had commenced its 500 liter pilot production run to deliver samples of its first cannabinoid, CBG.

On September 8, 2020, the Company announced that its subsidiary, Willow Analytics, had been granted advisory services and conditional funding from the NRC-IRAP supporting a research and development project to advance production of the Varin Cannabinoids.

On September 21, 2020, the Company announced that it had successfully developed a scalable process for producing CBG with greater than 99% purity and no detectable THC and demonstrated production at 500 litre scale.

On October 29, 2020, the Company completed its overnight marketed public offering of 17,692,307 units of the Company, consisting of one Common Share and one Common Share purchase warrant (each, a "**2020 Warrant**"), at a price of $0.65 per unit for gross proceeds of approximately $11.5 million. Each 2020 Warrant entitled the holder thereof to acquire one Common Share at a price of $0.85 for a period of 24 months from the issue date; provided that if, at any time prior to the expiry date of the 2020 Warrants, the volume weighted average trading price of the Common Shares on the TSX was greater than $1.20 for 20 consecutive trading days, the Company could, within 10 business days of the occurrence of such event, deliver a notice to the holders of 2020 Warrants (the "**Acceleration Right**") accelerating the expiry date of the 2020 Warrants to the date that is 30 days following the date of such notice (the "**Accelerated Exercise Period**"). Any unexercised 2020 Warrants would automatically expire at the end of the Accelerated Exercise Period.

On December 16, 2020, the Company selected a contract manufacturing organization to manufacture its first cannabinoid, CBG.

Recent Developments

On February 19, 2021, the Company completed its bought deal public offering of 17,424,800 Common Shares at a price of $1.65 per Common Share for gross proceeds of approximately $28.75 million.

On January 25, 2021, the Company elected to exercise the Acceleration Right on the 2020 Warrants, accelerating the expiry date of the 2020 Warrants to February 28, 2021, resulting in the exercise of 9,259,404 2020 Warrants and cash proceeds to the Company of approximately $7.9 million.

On January 19, 2021, the Company announced that it had advanced its work on its proprietary yeast strain for production of THC.

On January 13, 2021, the Company announced that it had engaged Signum Biosciences, Inc., a leading biopharmaceutical company focused on the discovery and development of innovative consumer products, to generate a robust safety and data package for the Company's CBG to demonstrate its safety and activity as a cosmetic ingredient. The Company also engaged a regulatory consulting group to perform a comprehensive safety assessment to independently conclude that CBG is Generally Regarded As Safe (GRAS) for use as an ingredient in food and beverage.

Significant Acquisitions

The Company did not complete any significant acquisitions during its most recently completed financial year for which disclosure is required under Part 8 of NI 51-102.

DESCRIPTION OF THE BUSINESS OF THE COMPANY

General

Willow is a Canadian biotechnology company focused on developing yeast as a production platform for high-purity ingredients typically sourced from plants. Currently the Company has a strong focus on genetically engineering yeast strains to produce economically viable titers of cannabinoids. The Company leverages the expertise of world-renowned scientists located at two state-of-the-art research facilities in Canada and the United States to carry out discovery-based biological research, and high throughput diversity generation and screening, and fermentation process development. The scientific operations are supported by a strong business development team headquartered in Calgary, Alberta.

Biosynthesis Manufacturing Process for Cannabinoids

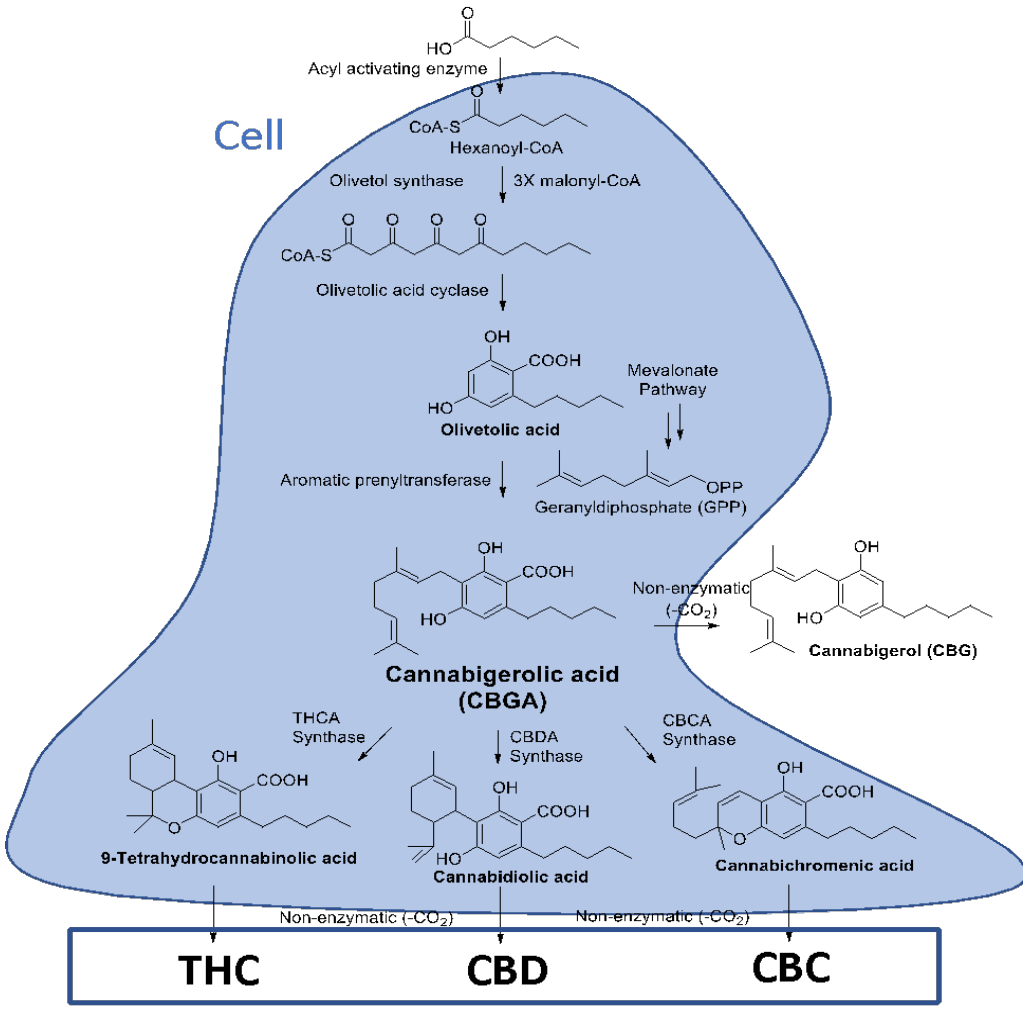
The growing demand and uses for cannabinoids

Shifting attitudes and legislative policies regarding the usage of cannabis has recently opened the door to treating a diverse array of medical conditions with phytocannabinoids. These compounds, which led to the discovery of the endocannabinoid system, interact with specific receptors in the human brain and nervous system, leading to a range of physiological responses. Importantly, the chemical structure of various cannabinoids are known to promote different pharmacological effects in the human body. For example, the well-known cannabinoid THC has been found to promote sensations of anxiety, euphoria and relaxation. In contrast, the cannabinoid CBD is a non-psychoactive compound which has been found to prevent chronic pain sensation and alleviate spasticity in epileptic individuals. The hair-like resin glands of cannabis flowers can accumulate substantial amounts of either or both of these cannabinoids. These resin glands, known as trichomes, also synthesize approximately 80 other cannabinoids. Unlike THC and CBD, these additional cannabinoids only accumulate to minute levels, and are colloquially known as 'rare' cannabinoids. Although the pharmacological properties of these compounds still remain largely unknown, their chemical similarity to better studied cannabinoids suggest they may have similar or greater potential as pharmaceutical ingredients.

There are currently over 40 active clinical trials in the United States studying the ability of cannabinoids to alleviate physical, neurological and behavioural maladies, according to the U.S. National Library of Medicine. These efforts promise to build upon the success of CBD-based prescription drugs such as Epidiolex and Sativex, providing medical practitioners with a wide range of medicinal preparations they can prescribe to patients. Epidiolex treats seizures associated with Lennox-Gastaut or Dravet syndrome in patients two years and older, while Sativex is indicated for the relief of multiple sclerosis symptoms and the treatment of severe neuropathic-related cancer pain.

The plant-based process for cannabinoid production

Phytocannabinoids, such as THC and CBD, intended for medical and recreational applications are sourced from cannabis plants, which accumulate these compounds in resin glands present on their leaves and flowers, as described above. Within these glands, a series of catalytic reactions are carried out by enzymes unique to the cannabis species to produce cannabinoids. The last steps of the THC or CBD biosynthetic pathway involve the conversion of hexanoyl-CoA into olivetolic acid through the actions of a polyketide synthase and olivetolic acid synthase. Olivetolic acid is then acted upon by an aromatic prenyl transferase to produce cannabigerolic acid ("**CBGA**"). CBGA can then be converted into either tetrahydrocannabinolic acid ("**THCA**") or cannabidiolic acid ("**CBDA**"), through the action of THCA synthase or CBDA synthase, respectively (see the figure below). The last reaction, which converts the THCA or CBDA into their pharmacologically active forms is promoted non-enzymatically through the application of a heat source and or mild alkaline treatment.



Cannabinoid biosynthetic pathway.

Although domesticated varieties of cannabis can accumulate high levels of THC or CBD in their flowers (up to approximately 26% by dry weight), numerous drawbacks are associated with the plant-based production of cannabinoids. These drawbacks can increase labour and financial costs associated with additional purification steps and decrease the acceptability of the final product in the eyes of consumers, clinicians and federal regulators. These drawbacks include:

(a) the yield and cannabinoid composition of cannabis plants can be adversely affected by pests, diseases and poor environmental conditions;

(b) the intentional or unintentional application of pesticides to the cannabis plants can contaminate cannabinoid isolates extracted from the mature plants;

(c) inconsistent soil compositions, and contaminates such as heavy metals, can affect the chemical composition or quality of the extracted isolates;

(d) state-of-the-art cannabinoid extraction methods (supercritical carbon dioxide, hot/cold ethanol extraction, hydrocarbon, etc.) are frustrated by the high levels of oils, waxes and chlorophylls present in plant feedstocks; and

(e) the requirement for large amounts of land, water, and energy for cultivation.

Using yeast as a host platform for developing cannabinoids

Although not a natural producer of cannabinoids, it has recently been demonstrated that yeast can act as a cannabinoid production platform when the proper cellular machinery is introduced into its biology. There are several anticipated benefits in shifting cannabinoid production to a yeast-based platform, such as:

(a) the cost of production is expected to decrease through reduced labour and input costs;

(b) the cost of purifying cannabinoid isolate extracted from yeast is expected to fall below levels typically incurred for plant-based isolates;

(c) yeast-based cannabinoid production would be scalable to current market demands and is completely weather independent;

(d) culturing yeast in large indoor fermentation tanks are expected to require a markedly reduced footprint relative to plant-based production, and ensures arable farmland is not diverted from food production;

(e) through biotechnological manipulation, yeast cultures could produce rare cannabinoids at levels unseen in plants, thereby diversifying the number of pharmacological products which would be available to clinicians; and

(f) a yeast-synthesized cannabinoid would be identical to those produced by plants.

Willow has positioned itself to become the first enterprise to distribute cannabinoids derived from yeast to the global consumer care, food & beverage, and pharmaceutical markets. The Company has invested its financial resources in R&D capabilities, world-renowned scientists and strategic partnerships to become the first to develop a yeast strain and process that produces high purity cannabinoids at economically viable levels. The anticipated intellectual property surrounding these developments is expected to provide Willow with numerous competitive advantages as a first mover in the market. For more information on the Company's partnerships, see "*Strategic Partnerships*", below.

Willow's strategy for developing yeast-based cannabinoids

Willow's strategy to develop yeast strains capable of producing high titers of cannabinoids has focused on understanding how cannabis produces these compounds and then introducing the required biosynthetic machinery into yeast through the manipulation of its genome. Due to widespread use of yeast as a model research organism, a broad range of technologies capable of altering the yeast genome are readily available. However, identifying and producing the genetic enhancement required to develop yeast capable of producing economically viable titers of cannabinoids requires significant efforts. The Company expects to employ its state-of-the-art facilities and highly skilled staff to: (a) optimize known components of the cannabinoid biosynthetic pathway; (b) identify and optimize currently undiscovered cannabis genes that promote cannabinoid biosynthesis through ancillary mechanisms; (c) engineer the yeast host to better tolerate and support the production of cannabinoids; (d) develop an optimized fermentation process for maximal production of cannabinoids; and (e) develop an efficient downstream process for isolation and purification of cannabinoids. The best outputs of these research efforts will be consolidated into a single process. In conjunction with its partners, Willow will scale these processes in large scale production assets.

Cannabis Testing Business Unit

The Company plans to provide important information to patients, licensed producers, cultivators, processors and retailers about the safety, quality, potency and profile of essential oils in their medical and recreational cannabis products. The Company will establish its testing business unit at its Burnaby Site,

described in "*Facilities and Operations*", below, with a top-of-the-line analytical equipment package from a leading laboratory equipment company and a well-equipped molecular biology research laboratory.

The Company intends to provide a comprehensive offering of services to stakeholders in the medical and recreational cannabis industry. Willow Analytics, a wholly-owned subsidiary of the Company, will offer tests and services aimed at analyzing cannabinoid profiling and potency, microbiological screening, pesticide screening and terpene analysis to guarantee the quality and potency of all cannabis products and ensure compliance with the Health Canada guidelines.

Facilities and Operations

Managed from its headquarters in Calgary, Alberta, Willow's research program is performed at two research facilities located in Burnaby, British Columbia and Mountain View, California.

Work at the approximately 6,000 square-foot Mountain View facility (the "**Mountain View Site**") is carried out by 17 staff members, focusing on high-throughput strain engineering and fermentation process development. The Mountain View Site is outfitted with cutting-edge automation equipment, high throughout analytical instrumentation, and bench-scale fermenters along with large-scale bioinformatics and data handling systems to rapidly evaluate high volumes of data and results. On October 25, 2019, Epimeron USA received the U.S. Research Approvals, which allow the Company to work with cannabinoid-producing yeast strains.

The Burnaby facility (the "**Burnaby Site**") encompasses a 4,000 square foot laboratory housing state-of-the-art analytical chemistry and molecular biology infrastructure. On January 8, 2020, the Burnaby Site received its pathogen and toxin licence from Health Canada; on February 4, 2020, the Burnaby Site received the Research Licence from Health Canada, which was awarded in accordance with the *Cannabis Act*; and on March 2, 2020, the Burnaby Site received the Testing Licence, which was also awarded in accordance with the *Cannabis Act*.

For more information on Willow's relevant regulatory approvals and the regulatory environment, generally, see "*Regulatory Framework*", below.

Specialized Skill and Knowledge

Willow has brought together a highly regarded team with extensive experience and expertise to guide Willow towards commercialization of its consumer care, food & beverage and pharmaceutical-grade ingredients.

The Company's science team has a proven track record in a commercial R&D setting, having developed multiple bio-based manufacturing processes for production of food, pharma and other fine chemical ingredients at previous organizations. The R&D team members consist of highly skilled molecular biologists, plant geneticists, biochemists and fermentation process engineers, and are sought-after experts in their respective areas.

The Company has a proven ability to commercialize fermentation-based production, leveraging: (a) discovery biology to identify important genes in desired metabolic pathways; (b) past success securing intellectual property to protect and commercialize discoveries; (c) high-throughput targeted evolution and screening technology to generate higher yields; (d) fermentation and downstream process development experience; and (e) relationships with leading contract development and manufacturing organizations in Canada, the United States and Europe.

The Company's management team and board of directors have a demonstrated history of successful business operations, including start-up organizations, biotech companies and commercial manufacturing operations. The combination of extensive industry experience, comprehensive capital markets knowledge

and strong leadership abilities has positioned Willow to successfully execute its business plan and support long-term value creation.

Strategic Partnerships

Noramco

On June 4, 2019, the Company entered into an exclusive Joint Development Agreement ("**JDA**") to collaboratively develop and commercialize a yeast-based production platform for the manufacturing and distribution of CBD with Noramco. Under the JDA, the Company is responsible for optimizing yeast strains in a biosynthetic process to produce ultrapure, high-yield CBD. Given its existing expertise in the production of CBD and related compounds and its experience in delivering them for clinical and pharmaceutical applications, Noramco is responsible for scale-up, regulatory submission, marketing and distribution. The parties cover their respective costs, retain the intellectual property associated with their respective scopes of work and, as allowed by existing agreements, share equally in gross profits from sales of CBD manufactured under the JDA. This strategic partnership aligns the Company with an industry leader and allows the Company to benefit from Noramco's extensive experience, resources and expertise in navigating pharmaceutical ingredient production, marketing and distribution and the highly regulated environment associated therewith.

The JDA is exclusive both ways and requires 12 months' notice if either party wishes to terminate the JDA. If the JDA is cancelled, Willow retains all intellectual property it has discovered to date under the partnership. Willow and Noramco's estimated costs to bring CBD to commercial scale are approximately US$15.0 million each. Both are responsible for funding their own portion. Noramco and Willow will split the gross profits equally. Willow is responsible for strain development and Noramco is responsible for scale up, distribution and navigating the regulatory landscape. The agreement term is in perpetuity and the territory is global.

National Research Council of Canada Industrial Research Assistance Program

Since 2014 and through 2020, the Company through its Calgary and Burnaby based operating units, has entered into four contribution agreements with the NRC-IRAP. The total value of these contributions once fully realized will be approximately $779,500. Further, on September 8, 2020, the Company announced that its subsidiary, Willow Analytics, had been granted advisory services and conditional funding from the NRC-IRAP supporting a research and development project to advance production of the Varin Cannabinoids. The NRC-IRAP has a mandate to provide advice, connections and funding to help Canadian small and medium-sized businesses increase their innovation capacity and take ideas to market. To date, NRC-IRAP has supported the Company's discovery research into the biosynthesis of commercially relevant plant-derived active ingredients , and also provided more targeted support around the commercialization of novel testing kits, and on the development and validation of testing methods for various new consumer products in health and wellness and recreational markets. Given the success of previous and ongoing projects, further grants from NRC-IRAP are likely as they provide non-dilutive financial support for targeted projects and allow all intellectual property developed to remain with the Company.

Albany Molecular Research, Inc.

Effective February 26, 2020, the Company signed an agreement with AMRI to work on the upstream and downstream process development of its cannabinoid programs and to commence working on the scale-up of the Company's first fermentation derived cannabinoid. On March 12, 2020, the Company delivered its proprietary cannabinoid-producing yeast strain to AMRI. On September 21, 2020, the Company announced that it had successfully developed a scalable process for producing CBG with greater than 99% purity and no detectable THC and demonstrated production at 500 litre scale. Contract development work continues with AMRI toward scale up in its commercial scale manufacturing assets.

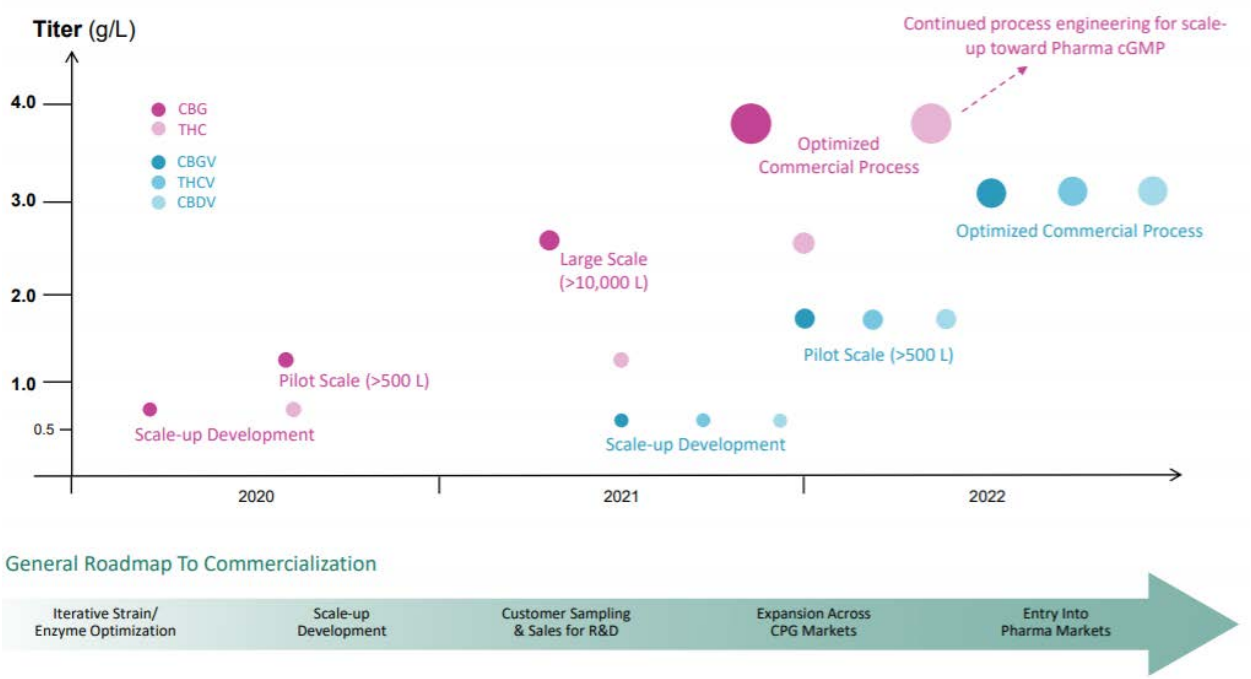
Business Objectives and Strategy

The Company is positioned to become the industry leader in cannabinoid biosynthetic production by capturing key intellectual property around what the Company anticipates being the most cost-effective methods to produce highly pure cannabinoids. The Company's operational capabilities, along with its strategic partners, span the entire product development pathway, and Willow's integrated team in Canada and the United States has full capabilities to underpin achievement at all stages of the development cycle.

During 2020, Willow made a strategic shift to target CBG as its first commercial cannabinoid. CBG is the first cannabinoid and key branchpoint in the pathway for the production of CBD, THC and other cannabinoids. By developing yeast strains that biosynthesize CBG, the Company will also be able to develop other cannabinoids in its portfolio, including CBD, THC through extension of the genetic pathway and the Varin Cannabinoids by altering the substrate feedstock. Future strain engineering programs, e.g., THC and CBD, inherently leverage any improvements made to the initial CBG-producing strains.

Willow continues to evaluate strategic relationships with various entities in the CPG and pharmaceutical industries. Willow believes that these partnerships will further expand the Company's market participation and expose Willow to points of entry into new markets globally.

Willow's expected milestones to commercial production with respect to its multi-cannabinoid portfolio are summarized below.



(a) **Development – Iterative Strain Optimization**: Since inception, Willow has utilized a combination of plant science and synthetic biology to improve strain performance of its portfolio cannabinoids. Willow will continue to improve strain performance for its portfolio cannabinoids throughout 2021.

(b) **Development – Scale-up Development**: Willow will optimize the upstream and downstream process to maximize cannabinoid production and purity. In 2020, Willow reached scale-up development for CBG and THC, and produced its first pilot scale batch of CBG. Willow targets a pilot scale batch of THC in 2021. Willow will target scale-up development for its Varin Cannabinoids in 2021, with production of its first pilot scale batch for Varin Cannabinoids in 2022.

(c) **Commercialization – First Commercial Batch Sales**: In 2020, Willow initiated customer sampling of its CBG, which is expected to lead to its first CBG commercial-scale production runs in early 2021. Commercial targets at this stage are for consumer care products and formulations for cannabis edibles and beverage markets.

(d) **Commercialization – Expansion Across CPG Markets**: Willow targets meeting the current Good Manufacturing Practice Regulations for cosmetics and food with sales in consumer cannabis topicals, cannabis edibles and beverage markets at this stage, mainly for CBG, and for THC in Canada once Willow reaches the commercialization stage of its THC product.

(e) **Commercialization – Entry into Pharmaceutical Markets**: Willow targets meeting the current Good Manufacturing Practice Regulations and specifications for pharmaceuticals and initiating pharmaceutical sales of cannabinoids at this stage.

Competitive Landscape

Willow competes with cannabinoid producers using traditional plant-based extraction. Yeast fermentation cannabinoid production offers significant advantages over plant-based extraction. The controlled manufacturing environment facilitates scale up, purity, security of product supply and is pesticide-free and historically proven to be more cost-effective. In addition, rare and novel cannabinoid production, inaccessible by plant-based extraction, requires the same cost inputs as more abundant cannabinoids such as CBD, opening new consumer and pharmaceutical markets.

Yeast fermentation cannabinoid production is accomplished through the metabolic engineering of yeast. Metabolic engineering is the modification of a cell's metabolic network for increased production of a specific molecule. Metabolic engineering re-creates the plant pathway in a microbial host, such as yeast, allowing industrial-scale exploitation of the pathway for production of natural products (as an example, millions of diabetics worldwide use synthetic insulin produced through *E. coli* biosynthesis). For more information, see "*Biosynthesis Manufacturing Process for Cannabinoids*", above. Many pitfalls associated with the traditional cannabis plant growing, harvesting, processing, extraction and purification techniques can be avoided by using biosynthesis. Unlike plant extraction, metabolic engineering allows manipulation of the natural pathway to optimize the final composition of the products. Not only is biosynthesis a higher-yielding and more resource-efficient manufacturing process, but the process and resulting products may face less regulatory obstacles than agriculturally sourced cannabinoids.

The Company also competes with developers of new methods for cannabinoid production and companies that have initiated biosynthetic cannabinoid programs. These competitors include companies who have invested in cultured cannabinoid production. There are also certain publicly traded biotechnology companies that have announced partnerships that together are targeting biosynthetic production of cannabinoids.

While numerous companies are attempting the biosynthetic production of cannabinoids, the Company believes that the market will be large enough at maturity to handle multiple companies. While there are certain advantages to being first to market, including, but not limited to, brand recognition, establishment of distribution channels and ability to execute material partnerships with both CPG and pharmaceutical customers, Willow believes that the ultimate market size will support a multitude of industry participants.

Market Conditions

The market for biosynthetically-produced cannabinoids is comprised of two segments, the medicinal and pharmaceutical segment and the recreational and consumer segment.

Demand for cannabinoids in the medicinal and pharmaceutical segment is growing exponentially. Approximately 40 CBD and other cannabinoid-based treatment options are currently in clinical trials for indications such as post-traumatic stress disorder, epilepsy, Parkinson's disease, chronic pain,

schizophrenia and others. Applications for pharmaceutical-grade cannabinoids is expected to continue to expand.

Demand for cannabinoids in the recreational and consumer segment is also growing exponentially through opportunities such as the CPG markets (i.e., cosmetics, anti-aging skin creams, arthritic topical creams, pet treats, athletic recover elixirs, pain relievers, beverages and other products to be sold as cannabis topicals and cannabis edibles). Ingredient quality and consistency is crucial for maintaining product reputation in the consumer market. Reliable and scalable manufacturing processes are required.

Due to the accelerating demand for cannabinoids and high purification costs, the cannabinoid production industry is in need of advanced, cost-effective manufacturing. This provides a significant market penetration opportunity for biosynthetic cannabinoid producers. The perceived advantage of producing an API quality product meant for the pharmaceutical industry is that the quality and specifications of Willow's product are ideal for the CPG markets. Willow believes this market will require increased levels of quality control as it develops.

The Company believes that the two main buyers of its API quality cannabinoids will be pharmaceutical companies and CPG companies. At this time, Willow has not executed any long term supply agreements with potential customers. The Company has begun discussions and negotiations with respect to long term supply agreements.

Intellectual Property

Willow has an active research and development program. This program continues to focus on four main research areas: (a) optimizing biosynthetic cannabinoid pathway components; (b) identifying and characterizing novel components of the cannabinoid biosynthesis pathway; (c) engineering yeast to increase synthetic cannabinoid production; and (d) developing processes that maximize production and isolation of pure cannabinoids.

Research to date has generated six separate patent filings relating to methods of cannabinoid precursor biosynthesis and cellular pathways for cannabinoid transport. Willow is continuing to develop intellectual property for its work on these two areas of cannabinoid biosynthesis.

Protection of Intangible Assets

The ownership and protection of the Company's intellectual property rights is a significant aspect of its future success. Currently, the Company relies on trade secrets, technical know-how and proprietary information (together, the "**Proprietary Information**"). The Company protects its intellectual property by seeking and obtaining registered protection where possible, developing and implementing standard operating procedures to protect Proprietary Information and entering into agreements with parties that have access to the Company's inventions and Proprietary Information, such as the Company's partners, collaborators, employees and consultants, to protect confidentiality and ownership. The Company also seeks to preserve the integrity and confidentiality of its inventions, trademarks and Proprietary Information by maintaining physical security of its premises and physical and electronic security of its information technology systems.

Regulatory Framework

Canada

The Company intends to produce the target cannabinoids globally, where legally permissible, and has received confirmation from Health Canada that this method of production is permitted under the *Cannabis Act*.

Willow Analytics received its cannabis research licence from Health Canada for the Burnaby Site (the "**Research Licence**") on February 4, 2020, which has allowed the Company to possess and produce cannabis for the purpose of conducting research based on the research protocol "High-Value Plant Metabolite Production in Synthetic Biosystems". The Research Licence enables a broad scope of work on cannabis plants and heterologous expression systems and was issued for the maximum allowable period of five (5) years, expiring on February 4, 2025.

Willow Analytics received its cannabis analytical testing licence from Health Canada for the Burnaby Site (the "**Testing Licence**") on March 2, 2020, which allows the Company to possess and obtain cannabis by altering its chemical or physical properties, and to conduct analytical testing activities with cannabis at the Burnaby Site. The Testing Licence enables a broad scope of analytical testing services and commercial activities and was issued for a three (3) year period, expiring on March 2, 2023.

USA

The Company has undertaken to perform all of its research and development work in compliance with all applicable state and federal laws regarding controlled substances. In April 2019, Willow received approval from the Research Advisory Panel of California in San Francisco, California and in October of 2019, Willow, through its wholly-owned subsidiary Epimeron USA, received approval from the local office of the DEA in San Jose, California for its Researcher (I) Controlled Substance Registration Certificate and its Certificate of Registration (the "**U.S. Research Approvals**"). The U.S. Research Approvals allow the Company to lawfully conduct the specified research involving cannabinoids, including all "coincident activities" authorized by law. Until such U.S. Research Approvals were obtained, no research and development work involving or resulting in the creation of controlled substances under the *Controlled Substances Act* (United States) was undertaken in the United States. The Company does not intend to undertake any cannabinoid production activities in the United States beyond what is lawful for a DEA-registered researcher or any cannabinoid production activities in any other jurisdiction in which cannabis is not legalized.

The Company currently does not engage in any commercial activities related to the cultivation, distribution or possession of cannabis in the U.S. The Company performs licensed research and development activities in the U.S., in order to produce cultured cannabinoids, in full compliance with all applicable laws regarding controlled substances.

Employees

As at the end of the most recent financial year-end, Willow employed 18 science and technical staff members at the Burnaby Site and 14 at the Mountain View Site. Willow also has 7 employees working out of the corporate office in Calgary, Alberta, and one corporate employee at the Mountain View Site, for a total employee count of 40 people.

Bankruptcy and Similar Procedures

There have been no bankruptcy, receivership or similar proceedings against the Company, or any voluntary receivership, bankruptcy or similar proceeding by the Company within its three most recently completed financial years or that were completed during or are proposed for the current financial year.

Reorganizations

Other than the Reorganization and as set forth below, there have been no material restructuring transactions of the Company within its three most recently completed financial years or that were completed during or are proposed for the current financial year.

On December 11, 2018, Epimeron acquired all of the outstanding common shares of Serturner and Vindolon in consideration for the issuance of a total of 84,701 Epimeron Shares and Serturner and Vindolon became wholly-owned subsidiaries of Epimeron.

RISK FACTORS

Investors should carefully consider the risk factors set out below and consider all other information contained herein and in the Company's other public filings before making an investment decision. The risks set out below are not an exhaustive list and should not be taken as a complete summary or description of all the risks associated with the Company's business and the cannabis business generally.

Intellectual Property

Willow's success will depend, in part, on the Company's ability to obtain patents, protect trade secrets and operate without infringing on the proprietary rights of others. Patents and other proprietary rights are essential to Willow's business. The Company relies on trade secret, patent, copyright and trademark laws, and confidentiality and other agreements with employees and third parties, all of which offer only limited protection. Willow's general policy has been to file patent applications to protect its inventions and improvements to its inventions that are considered important to the development of its business. In certain cases, such as with the Company's bioinformatics platforms, Willow has chosen to protect its intellectual property by treating it as confidential internal know-how. Willow's success will depend in part on its ability to obtain patents, defend patents, maintain internal know-how/trade secret protection and operate without infringing on the proprietary rights of others. Interpretation and evaluation of pharmaceutical patent claims presents complex legal and factual questions. Further, patent protection may not be available for some of the products or technology the Company is developing. If Willow is placed in a position where it must spend significant time and money defending or enforcing its patents, designing around patents held by others or licensing patents or other proprietary rights held by others, its business, results of operations and financial condition may be harmed. In seeking to protect Willow's inventions using patents it is important to note that there can be no assurance that:

(a) patent applications will result in the issuance of patents;

(b) additional proprietary products developed will be patentable;

(c) patents issued will provide adequate protection or any competitive advantages;

(d) patents issued will not be successfully challenged by third parties;

(e) commercial exploitation of Willow's inventions does not infringe the patents or intellectual property of others; or

(f) Willow will be able to obtain any extensions of patent terms.

A number of pharmaceutical and biotechnology companies and research and academic institutions have developed technologies, filed patent applications or received patents on various technologies that may be related to the business of Willow. Some of these technologies, applications or patents could limit the scope of the patents, if any, that Willow may be able to obtain. It is also possible that these technologies, applications or patents may preclude Willow from obtaining patent protection for its inventions. Further, there may be uncertainty as to whether Willow may be able to successfully defend any challenge to its patent portfolio. Moreover, the Company may have to participate in derivation proceedings, inter partes review proceedings, post-grant review proceedings or opposition proceedings in the various jurisdictions around the world. An unfavourable outcome in a derivation proceeding, an inter partes review proceeding, a post-grant review proceeding or an opposition proceeding could preclude Willow or its partners or licensees from making, using or selling products using the technology, or require Willow to obtain license rights from third parties. It is not known whether any prevailing party would offer a licence on commercially acceptable terms, if at all. Further, any such licence could require the expenditure of substantial time and resources and could harm the business of Willow. If such licences are not available, Willow could encounter delays or prohibition of the development or introduction of the product of the Company. In the case of intellectual property where the Company has chosen to protect it by treating it as internal know-how, such

as with its bioinformatics platforms, there can be no assurance that others with greater expertise or access to greater resources do not develop similar or superior technology that impairs the competitive value of the Company's internal know-how.

Reliance on Licences

The Company is dependent on its existing licences, including the Research Licence, the Testing Licence and the U.S. Research Approvals in order to develop its target cannabinoids. All licences and approvals are subject to ongoing compliance requirements. Failure to comply with the requirements of such licences and approvals could have a material adverse impact on the Company's business, financial condition and operating results.

Reliance on Facilities

The licences and approvals held by the Company are specific to individual facilities. Adverse changes or developments affecting any facility, including but not limited to a breach of security, could have a material and adverse effect on the Company's business, financial condition and prospects. Any breach of the security measures and other facility requirements, including any failure to comply with recommendations or requirements arising from inspections by government regulators, could also have an impact on the Company's ability to continue operating under such licences and approvals.

All facilities continue to operate with routine maintenance. The Company will bear many, if not all, of the costs of maintenance and upkeep of the facilities, including replacement of components over time. The Company's operations and financial performance may be adversely affected if it is unable to keep up with maintenance requirements.

Dependence upon Key Personnel

The Company's success is dependent upon the ability, expertise, judgment, discretion and good faith of its senior management (the "**Key Personnel**"). The Company's future success depends on its continuing ability to attract, develop, motivate and retain the Key Personnel. Qualified individuals for Key Personnel positions are in high demand and the Company may incur significant costs to attract and retain them. The loss of the services of Key Personnel, or an inability to attract other suitably qualified persons when needed, could have a material adverse effect on the Company's ability to execute on its business plan and strategy, and the Company may be unable to find adequate replacements on a timely basis, or at all. While employment and consulting agreements are customarily used as a primary method of retaining the services of Key Personnel, these agreements cannot assure the continued services of such individuals and consultants.

In addition, certain individuals within the Company must hold a valid security clearance issued by the relevant governmental authority. There is no assurance that any existing personnel who presently or may in the future require a security clearance will be able to obtain or renew such clearances or that new personnel who require a security clearance will be able to obtain one. A failure by an individual in a key operational position to maintain or renew his or her security clearance could result in a reduction or complete suspension of certain operations. In addition, if an individual in a key operational position leaves and the Company is unable to find a suitable replacement who is able to obtain a security clearance in a timely manner, or at all, the Company may not be able to conduct its operations as planned or at all, which could result in a material adverse effect on the Company's business, financial condition and results of operations.

Reliance on Key Inputs

The Company is dependent on a number of key inputs and their related costs, including research materials and equipment. Any significant interruption or negative change in the availability or economics of the supply chain for key inputs could materially impact the Company's financial condition and operating results. Any

inability to secure required supplies and services or to do so on appropriate terms could have a materially adverse impact on the Company's business, financial condition and operating results.

Difficulty Implementing Business Strategy

An important part of the Company's business strategy involves reaching certain research and development milestones in order to produce cannabinoids on a commercial scale. The Company may be unable to meet these milestones in the future at the desired pace, or at all. The Company may be unable to, among other things, successfully expand the Company's infrastructure to support its development goals or enter into and maintain successful business arrangements for technical assistance or partnerships to develop its biosynthesis production methods or meet Good Manufacturing Practice Regulations. Each milestone may involve unforeseen difficulties and may require a disproportionate amount of management's attention and financial and other resources.

With respect to the Company's strategic partnerships, the Company can give no assurance that it will ultimately be able to effectively realize anticipated synergies in its strategic partnerships, including the JDA with Noramco. The failure to successfully integrate operating systems, procedures or information technologies could have a material adverse effect on the Company's business, financial condition or results of operations.

If the Company succeeds in meeting its objectives and milestones, each new milestone may place increased or new demands on management, operating systems, internal controls and financial and physical resources. If not managed effectively, these increased or new demands may adversely affect the Company. Consequently, in order to meet its objectives and milestones, the Company may be required to increase expenditures to increase its physical resources, expand, train and manage its employee base, improve management, financial and information systems and controls, or make other capital expenditures. The Company's business, financial condition and results of operations could be adversely affected if it encounters difficulties in effectively managing these issues.

Achievement of Publicly Announced Milestones

From time to time, the Company publicly announces the timing of certain events to occur or the attainment of certain commercial objectives. These statements are forward-looking and are based on the best estimate of management at the time, relating to the occurrence of such events. However, the actual timing of such events or the Company's ability to achieve these objectives may differ from what has been publicly disclosed. Events such as beginning of commercialization of a product, levels of sales, revenues and other financial metrics may vary from what is publicly disclosed. These variations may occur as a result of a series of events, including problems with a supplier or a commercial partner, change in the procurement policy of a commercial partner or any other event having the effect of delaying the publicly announced timeline or reducing the publicly announced commercial objective. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as otherwise required by law. Any variation in the timing of certain events having the effect of postponing such events or any variation in the occurrence of certain events having the effect of altering publicly announced commercial objectives could have a material adverse effect on the Company's business, financial condition and operating results. In addition, it could adversely affect the market price of the Common Shares.

Joint Ventures

Willow has entered into the JDA with Noramco, and the Company may enter into additional joint ventures and strategic partnerships in the future. Joint ventures may involve risks not otherwise present for investments made solely by Willow, including: (a) Willow may not control the joint ventures; (b) Willow's joint venture partners may not agree to distributions that it believes are appropriate; (c) where Willow does not have substantial decision-making authority, Willow may experience impasses or disputes with its joint venture partners on certain decisions, which could require Willow to expend additional resources to resolve such impasses or disputes, including litigation or arbitration; (d) Willow's joint venture partners may become

insolvent or bankrupt, fail to fund their share of required capital contributions or fail to fulfil their obligations as a joint venture partner; (e) the arrangements governing Willow's joint ventures may contain certain conditions or milestone events that may never be satisfied or achieved; (f) Willow's joint venture partners may have business or economic interests that are inconsistent with Willow's and may take actions contrary to Willow's interests; (g) Willow may suffer losses as a result of actions taken by its joint venture partners with respect to its joint venture investments; and (h) it may be difficult for Willow to exit a joint venture if an impasse arises or if Willow desires to sell its interest for any reason. Any of the foregoing risks could have a material adverse effect on Willow's business, financial condition and results of operations. In addition, Willow may, in certain circumstances, be liable for the actions of its joint venture partners.

Success of Joint Ventures

Willow currently has, and may in the future enter into, additional strategic partnerships with third parties that it believes will complement or augment its existing business. Willow's ability to complete strategic partnerships is dependent upon, and may be limited by, the availability of suitable candidates and capital. In addition, strategic partnerships could present unforeseen integration obstacles or costs, may not enhance Willow's business, and may involve risks that could adversely affect Willow, including significant amounts of management time that may be diverted from operations in order to pursue and complete such transactions or maintain such strategic partnerships. Future strategic partnerships could result in the incurrence of additional debt, costs and contingent liabilities, and there can be no assurance that future strategic partnerships will achieve, or that Willow's existing strategic partnerships will continue to achieve, the expected benefits to its business or that Willow will be able to consummate future strategic partnerships on satisfactory terms, or at all. Any of the foregoing could have a material adverse effect on Willow's business, financial condition and results of operations.

In the case of Noramco, the Company will retain, pursuant to the JDA, all intellectual property associated with its scope of work. However, there can be no assurance that Noramco will be able to commercialize or obtain patents relating to production of CBD, or that third parties will not develop similar microorganisms or obtain patents that may restrict Noramco's ability to commercialize the microorganisms developed by Willow, and, as a result, there can be no assurance that Willow will be able to realize the expected benefits of the JDA. Even if Noramco is able to commercialize, there may not be demand for such products or the cultured cannabinoids developed therefrom.

Market Acceptance

There can be no assurance that any of the Company's cannabinoids, if approved for marketing, will achieve market acceptance. If the Company's cannabinoids, once approved, do not receive market acceptance for any reason, it will adversely affect the Company's business, financial condition and results of operations. The degree of market acceptance of any products the Company develops will depend on a number of factors, including: (a) the clinical efficacy and safety of the Company's cannabinoids; (b) the cannabinoids' potential advantages over existing and future products; and (c) the price of the Company's cannabinoids.

If the Company obtains regulatory approval to sell its products, and then commercial parties fail to adopt the Company's cannabinoids or conclude that the Company's products are not safe and effective, commercial parties and other possible customers could choose not to use the cannabinoids in their products. The Company's competitors may also develop cannabinoids which are more effective or less costly, or that seem more cost-effective than the Company's cannabinoids.

Competition Risks

The cannabis and pharmaceutical industries are highly competitive and subject to rapid change. The industries continue to expand and evolve as an increasing number of competitors and potential competitors enter the market. Many of these competitors and potential competitors have substantially greater financial, technological, managerial and research and development resources and experience than Willow has. Some of these competitors and potential competitors have more experience than Willow has in the development of pharmaceutical and cannabis products, including validation procedures and regulatory

matters. In addition, there are illegal, i.e. non-Health Canada approved cannabis, cannabinoid and other bioproduct preparations being made available from competitors, which may be competitive to the Company's products. The Company may not be able to enter into offtake agreements to establish distribution channels or execute material partnerships with CPG and pharmaceutical customers. If the Company is unable to achieve its business objectives, such failure could materially and adversely affect the Company's business, financial condition and results of operations. Moreover, competitive factors may result in the Company being unable to enter into desirable arrangements with new partners, to recruit or retain qualified employees or to acquire the capital necessary to fund its capital investments.

If the number of users of medical and/or recreational cannabis increases, the demand for products will increase and the Company expects that competition to develop biosynthetic production methods will become more intense. Additionally, the legal landscape for medical and recreational cannabis is changing internationally. More countries have passed laws that allow for the production and distribution of medical cannabis in some form or another, and some of these countries may pass laws allowing for the production and distribution of recreational cannabis as well. Increased international competition could materially adversely affect the Company's business, operations or growth prospects.

Nature of Product Candidates

Since cannabinoids contain substances related to the cannabis plant and may therefore be classified as "cannabis" or "controlled substances", their regulatory approval may generate public controversy. Political and social pressures and adverse publicity could lead to delays in approval of, and increased expenses for target cannabinoids. These pressures could also limit or restrict the introduction and marketing of these target cannabinoids. Adverse publicity from cannabis misuse or adverse side effects from cannabis or other cannabinoid products may adversely affect the commercial success or market penetration achievable for these target cannabinoids. The nature of the Company's business attracts a high level of public and media interest, and in the event of any resultant adverse publicity, the Company's reputation may be harmed. Furthermore, if these target cannabinoids are classified as "controlled substances", they may be subject to import, export and research restrictions that could delay or prevent the development of Willow's products in various geographical jurisdictions.

Changes in Laws, Regulations and Guidelines

Willow's operations are subject to a variety of laws, regulations and guidelines relating to cannabinoids, as well as laws and regulations relating to health and safety and the conduct of operations. While, to the knowledge of Willow's management, Willow is currently in compliance with all such laws, changes to such laws, regulations and guidelines due to matters beyond the control of Willow may cause adverse effects to its operations and financial condition. These changes may require Willow to incur substantial costs associated with legal and compliance fees and ultimately require the Company to alter its business plan. In addition, if the governments of Canada or the United States were to enact or amend laws relating to the cannabinoid industry, it may decrease the size of, or eliminate entirely, the market for Willow's products or alternatively introduce significant new competition into the market, which may materially and adversely affect the Company's business, results of operations and financial condition.

Operation Permits and Authorizations

Willow's ability to conduct testing and research on cannabis in Canada is dependent on the issuance of licences from Health Canada, and in particular the continued licensing of the Mountain View Site and the Burnaby Site. Failure to comply with the requirements of issued licences, or failure to maintain such licences, would have a material adverse impact on Willow's business, financial condition and results of operations. There is no guarantee that Health Canada will extend Willow's licences and approvals must they be extended or renewed, or that they will be extended or renewed on the same or similar terms, or at all. Should Willow fail to comply with requirements of the licences or should Health Canada not extend or renew the licences, or should Willow renew the licences on different terms, or should Willow not be issued its own analytical testing or research licences, Willow's business, financial condition and results of operations will be materially adversely affected.

In the United States, despite cannabis possession and use having been legalized at the state level for medical-use in many states and for adult-use in a number of states, most forms of cannabis (other than hemp) continue to be categorized as a Schedule I controlled substance under the *Controlled Substances Act* (United States) and subject to the *Controlled Substances Import and Export Act* (United States). Willow's ability to conduct certain research and development activities is conditional on Willow continuing to maintain all necessary licences, permits and approvals required for Willow to perform such research and development activities, including the U.S. Research Approvals. However, there are no assurances that the Company will be able to maintain such licences, permits and approvals. Violations of any U.S. federal laws and regulations, such as the above noted legislation, could result in civil, criminal and/or administrative enforcement actions, which could result in fines, penalties and other sanctions, including but not limited to, cessation of business activities.

While the Company has received confirmation from Health Canada that the method of production for its target cannabinoids is permitted under the *Cannabis Act*, the *Cannabis Act* is new legislation and may be subject to changes in interpretation over time. In addition, while the Company intends to produce and distribute the target cannabinoids in all jurisdictions where such distribution is legally permissible, there can be no guarantee that the Company or Noramco will obtain the relevant licences, permits and approvals to produce and distribute such products or derivative products in any jurisdiction.

See "*Description of the Business of the Company – Regulatory Framework*" for more information.

Compliance with Laws

The Company's operations are subject to various laws, regulations and guidelines that may change over time. The Company will endeavour to comply with all relevant laws, regulations and guidelines at all times but may not maintain internal policies and procedures adequate to ensure compliance with the various laws, regulations and guidelines to which they are subject. There is also a risk that the Company's interpretation of laws, regulations and guidelines, including, but not limited to, the *Cannabis Act*, various U.S. state regulations and applicable stock exchange rules and regulations, may differ from those of others, including those of government authorities, securities regulators and exchanges, and the Company's operations may not be in compliance with such laws, regulations and guidelines. While the Company may be compliant today, it may not be compliant following changes to any laws, regulations or guidelines. In addition, achievement of the Company's business objectives is contingent, in part, upon compliance with regulatory requirements enacted by governmental authorities and, where necessary, obtaining regulatory approvals. The impact of regulatory compliance regimes, and the impact of any delays in obtaining or failures to obtain regulatory approvals required by the Company may significantly delay or impact the development of the Company's business and operations and could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, any potential noncompliance could cause the Company's business, financial condition and results of operations to be adversely affected. Further, any amendment to or replacement of the *Cannabis Act* or other applicable rules and regulations governing the Company's activities may cause adverse effects on Willow's business, financial condition and results of operations. The risks to the Company's business associated with any amendment or replacement of the *Cannabis Act* or any subsequent regulatory changes in Canada or the United States could reduce the available market for products or services and could materially and adversely affect the Company's business, financial condition and results of operations.

The Company will incur ongoing costs and obligations related to regulatory compliance. Failure to comply with applicable laws and regulations may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures or remedial actions. The Company may be liable for civil or criminal fines or penalties imposed for violations of applicable laws or regulations. Amendments to current laws, regulations and permitting requirements, court rulings or more stringent application of existing laws or regulations, may have a material adverse impact on the Company, resulting in increased capital expenditures or research and development costs or delays in the development of its product candidates, or other significant changes in the Company's business plans, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The introduction of new tax laws, regulations or rules, or changes to, or differing interpretation of, or application of, existing tax laws, regulations or rules in any of the countries in which the Company may operate could result in an increase in the Company's taxes, other governmental charges, duties or impositions. No assurance can be given that new tax laws, regulations or rules will not be enacted or that existing tax laws, regulations or rules will not be changed, interpreted or applied in a manner which could result in the Company's profits being subject to additional taxation or which could otherwise have a material adverse effect on Willow.

Due to the complexity and nature of the Company's operations, various legal and tax proceedings may be in progress from time to time. If the Company is unable to resolve any of these proceedings favourably, there may be material adverse effects on Willow.

Protection of Proprietary Information

In the ordinary course of business, Willow may collect and store sensitive data, including intellectual property, data from research and analytical testing activities, Willow's proprietary business information and that of its customers, suppliers and business partners, and personally identifiable information of its customers, clinical trial subjects (as applicable) and employees, in its data centre and on its network. The secure processing, maintenance and transmission of this information is critical to the Company's operations. Despite the Company's security measures, Willow's information technology and infrastructure may be vulnerable to attacks by hackers or breached due to employee error, malfeasance or other disruptions. Although to the Company's knowledge it has not experienced any such material security breach to date, any such breach could compromise its networks and the information stored there could be accessed, publicly disclosed, lost or stolen. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under laws that protect the privacy of personal information, regulatory penalties, disruption to the Company's operations, damage to its ability to obtain patent protection for its product candidates, damage to its reputation and cause a loss of confidence in its products and its ability to conduct clinical trials, which could adversely affect the Company's business and reputation and lead to delays in gaining regulatory approvals.

Failure of Information Technology Systems

Willow's business increasingly depends on the use of information technologies, which means that certain key areas such as research and development are to a large extent dependent on the Company's information systems or those of strategic partners and third-party providers. Willow's ability to execute its business plan and to comply with regulators' requirements with respect to data control and data integrity, depends, in part, on the continued and uninterrupted performance of the Company's (or its partners) information technology systems ("**IT systems**") and the IT systems supplied by third-party service providers. These IT systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious human acts and natural disasters. Moreover, despite network security and backup measures, some of the Company's servers are potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Despite the precautionary measures the Company, its partners and its third-party service providers have taken to prevent unanticipated problems that could affect such IT systems, sustained or repeated system failures or problems arising during the upgrade of any of their IT systems that interrupt their ability to generate and maintain data, and in particular to operate their technology platform, could adversely affect the Company's ability to operate its business.

Limited Operating History

Before Willow, Epimeron entered the biotechnology industry in 2014 and BioCan entered into the biotechnology and cannabinoid industry in 2017. The Company is therefore subject to many of the risks common to early-stage enterprises, including limitations with respect to personnel, financial, and other resources and lack of revenues. There is no assurance that the Company will be successful in achieving a return on shareholders' investment and the likelihood of success must be considered in light of the early stage of operations.

Given the early stage of its product development, Willow can make no assurance that its research and development programs will result in regulatory approvals or commercially-viable products or technologies. To achieve profitable operations, Willow, alone or with others, must successfully develop, gain regulatory approval for, and market future products. Willow currently does not have any products that have been approved by Health Canada or any similar regulatory authority. To obtain regulatory approvals for product candidates being developed and to achieve commercial success, clinical trials must demonstrate that the product candidates are safe for human use and that they demonstrate efficacy. Willow does not have any products or technologies which are currently in human clinical trials. Additionally, Willow does not have any products for commercial sale or licensed for commercial sale. As a result, the Company is not currently generating revenue from its products or technologies and may never generate revenue from the sale or licensing of its products, or otherwise.

Many product candidates never reach the stage of clinical testing and even those that do have only a small chance of successfully completing clinical development and gaining regulatory approval. Product candidates may fail for a number of reasons, including, but not limited to, being unsafe for human use or due to the failure to provide therapeutic benefits equal to or better than the standard of treatment at the time of testing. Positive results of early preclinical research may not be indicative of the results that will be obtained in later stages of preclinical or clinical research. Similarly, positive results from early stage clinical trials may not be indicative of favourable outcomes in later-stage clinical trials. Willow can make no assurance that any future studies, if undertaken, will yield favourable results. The early stage of its product development makes it particularly uncertain whether any of such product development efforts will prove to be successful and meet applicable regulatory requirements, and whether any product candidates will receive the requisite regulatory approvals, be capable of being manufactured at a reasonable cost or be successfully marketed. If Willow is successful in developing current and future product candidates into approved products, it will still experience many potential obstacles such as the need to develop or obtain manufacturing, marketing and distribution capabilities. While Willow has entered into the JDA with Noramco, the Company may not be able to effectively realize anticipated synergies from the strategic partnership. If Willow is unable to successfully commercialize any products, its financial condition and results of operations may be materially and adversely affected.

Stock Exchange Restrictions

The Company must comply with the TSX guidelines when conducting business, especially when conducting its operations in the United States. On October 16, 2017, the TSX provided guidance regarding the application of the TSX listing requirements for issuers with business activities in the cannabis sector. In TSX Staff Notice 2017-0009, the TSX notes that issuers with ongoing business activities that violate U.S. federal law regarding cannabis are not in compliance with the TSX listing requirements. The TSX reminded issuers that, among other things, should the TSX find that a listed issuer is engaging in activities contrary to the TSX's listing requirements, the TSX has the discretion to initiate a delisting review. While the Company's current operations in the U.S. are compliant with TSX listing requirements, failure to comply in the future with the TSX listing requirements could have an adverse effect on the Company's business.

Tuatara is a Significant Shareholder

Tuatara is the Company's single largest shareholder by virtue of its 21.1% ownership interest (21.0% on a fully-diluted basis) in Willow, and Willow's business and future operations may be adversely affected by changes in the business or management of Tuatara. Tuatara has the ability to exercise significant influence over the Company's business and operations due to its ownership interest.

Tuatara owns a substantial number of the outstanding Common Shares and, through its pre-emptive rights provided for in the Investor Rights Agreement, has the ability to maintain its ownership level. Tuatara is also entitled to designate one nominee for election or appointment to the Board and two observers of the Board. As such, Tuatara is in a position to exercise significant influence over the Company, including matters requiring shareholder approval, such as the election of directors, change of control transactions and the determination of other significant corporate actions. There can also be no assurance that the interests of Tuatara will align with the interests of the Company or the Company's shareholders, and Tuatara will have

the ability to influence certain actions that may not reflect the intent of the Company or align with the interests of the Company or its shareholders. The presence of Tuatara could limit the price that investors or an acquirer may be willing to pay for Common Shares and may therefore delay or prevent a change of control or take-over bid of Willow. Tuatara also has certain consent rights which could delay or prevent the completion of certain transactions that may otherwise be beneficial to the Company's shareholders. The Company may also enter into other arrangements with Tuatara, and as a result, the Company may be dependent on Tuatara, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Insurance

Willow has directors' and officers' liability insurance and property and general liability insurance. This insurance may not remain available to the Company or be obtainable at commercially reasonable rates, and the amount of coverage may not be adequate to cover any liability the Company incurs. Future increases in insurance costs, coupled with the increase in deductibles, will result in higher operating costs and increased risk. If Willow was to incur substantial liability and such damages were not covered by insurance or were in excess of policy limits, or if Willow was to incur such liability at a time when it is not able to obtain liability insurance, the Company's business, results of operations and financial condition could be materially adversely affected.

Product Liability

It is expected that Willow will manufacture, process and/or distribute products designed to be ingested by humans. Such businesses face an inherent risk of exposure to product liability claims, regulatory action and litigation if products are alleged to have caused significant loss or injury. In addition, previously unknown adverse reactions resulting from human consumption of cannabis alone or in combination with other medications or substances could occur. A product liability claim or regulatory action against Willow could result in increased costs, adversely affect the Company's reputation and have a material adverse effect on the results of operations and financial condition of Willow.

Difficulty to Forecast

The Company may need to rely on its own market research to forecast industry trends and statistics and the competitive landscape of Willow's industry if detailed forecasts and competitor information are not generally available from other sources. A failure in the demand for the Company's products to materialize as a result of competition, technological change, change in the regulatory or legal landscape or other factors could have a material adverse effect the Company's business, financial condition and results of operations.

To the extent the Company may receive industry and financial reporting, the trading market for the Company's Common Shares may rely in part on the research and reports that industry or financial analysts publish about the Company, its business, its markets and its competitors. The Company does not control these analysts. If securities analysts do not cover the Common Shares, the lack of research coverage may adversely affect the market price of the Common Shares. Furthermore, if one or more of the analysts who do cover the Company downgrade the Common Shares or if those analysts issue other unfavorable commentary about the Company or its business, the price of the Common Shares could decline. If one or more of these analyst cease coverage of the Company or fails to regularly publish reports on the Company, the Company could lose any visibility in the market and interest in the Common Shares could decrease, which in turn could cause the Company's share price or trading volume to decline and may also impair the Company's ability to expand its business with existing customers and attract new customers.

Additional Financing

The continued development of Willow is expected to require additional financing. In order to meet its financing needs, Willow may issue a significant number of additional Common Shares or other securities. The precise terms of any future financing will be determined by Willow and potential investors, and such

future financings may significantly dilute Shareholders' percentage ownership in the Company. Additionally, if Willow raises additional funds through collaborations, strategic partnerships or marketing, distribution or licensing arrangements with third parties, it may have to relinquish valuable rights to its technologies, future revenue streams, research programs or grant licences on terms that may not be favourable to the Company and/or that may reduce the value of the Common Shares.

Conflicts of Interest

Certain of Willow's directors and officers are, and may continue to be, involved in other business ventures through direct and indirect participation in, among other things, corporations, partnerships and joint ventures that may become potential competitors of the technologies, products and services Willow intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from Willow's interests. In accordance with the ABCA, directors who have a material interest in, or who are parties to, a material contract or a proposed material contract with Willow are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the transaction. In addition, the directors and officers are required to act honestly and in good faith with a view to Willow's best interests. However, in conflict of interest situations, Willow's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to Willow. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to Willow.

Liability, Enforcement, Complaints, etc.

Willow's participation in the cannabis and cannabinoid industry may lead to litigation, formal or informal complaints, enforcement actions, and inquiries by various federal, state, provincial or local governmental authorities against the Company. Litigation, complaints and enforcement actions involving Willow could consume considerable amounts of financial and other corporate resources, which could have an adverse effect on Willow's future cash flows, earnings, results of operations and financial condition.

Dividends

Willow does not anticipate paying any dividends in the foreseeable future. Dividends paid by Willow would be subject to tax and, potentially, withholdings.

Any decision to declare and pay dividends in the future will be made at the discretion of the Board, and will depend on, among other things, financial results, cash requirements, contractual restrictions and other factors that the Board may deem relevant. As a result, investors may not receive any return on an investment in the Common Shares unless they sell their Common Shares for a price greater than that which such investors paid for them.

COVID-19

The outbreak of COVID-19, its recent variants and any other outbreaks of contagious diseases or other adverse public health developments, could have a material adverse effect on the successful implementation of Willow's 2021 business strategy and objectives, the result of which could materially adversely impact Willow's results of operation and the conduct of Willow's other research and development activities. The outbreak of COVID-19 has resulted in governmental authorities implementing numerous measures to try to contain the pandemic, such as travel bans and restrictions, quarantines, shelter in place orders, increased border and port controls and closures, and shutdowns. There is considerable uncertainty regarding such measures and potential future measures.

The COVID-19 pandemic has significantly increased economic and demand uncertainty throughout North America and Europe. It is likely that the current pandemic or further spread of COVID-19 will continue to cause an economic slowdown, and it is possible that the COVID-19 pandemic could cause a global recession despite the introduction of vaccination campaigns. The COVID-19 pandemic has caused

disruption and volatility in the global capital markets, which, depending on further developments, could impact the Company's capital resources and liquidity in the future, including the availability of financing on attractive terms, if at all.

The extent to which COVID-19 could impact Willow's operations, financial condition, liquidity, results of operations, and cash flows is still highly uncertain and will depend on future developments, including the safety and efficacy of the recently developed vaccines against the coronavirus and its variants, the access to those vaccines, success of mitigation measures effected by the Corporation to date and those which may be taken by it in the future.

The Company has attempted to assess the impact of the pandemic by identifying material risks, including: potential supply chain disruptions due to the inability of suppliers to deliver product; staffing disruptions due to compliance with governmental orders or other health and safety requirements; and limited availability of vaccine for the Company's employees and the general public. The Company is actively addressing the risk to business continuity represented by such factors through the implementation of a broad range of measures throughout its structure and is re-assessing its response to the COVID-19 pandemic on an ongoing basis. The above risks individually or collectively may have a material impact on the Company's business and operations. Implementing measures to remediate the risks identified above may materially increase the Company's costs of doing business and potentially result in losses.

Catastrophic Events

Natural disasters, such as earthquakes, tsunamis, floods or wildfires, public health crises, such as epidemics and pandemics, political instability, acts of terrorism, war or other conflicts and other events outside of the Company's control, may adversely impact Willow's business and operating results. In addition to the direct impact that such events could have on Willow's facilities and workforce, these types of events could negatively impact consumer spending in the impacted regions or depending on the severity, globally, which would impact the Company's customers and strategic partners, and in turn impact the demand for the Company's products. Such events can also create volatility and negative price effects in global capital markets

Market Price of Securities

Securities markets have a high level of price and volume volatility, and the market price of securities of many companies have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or prospects of such companies. Securities of companies in the cannabis industry have experienced substantial volatility in the past, often based on factors unrelated to the financial performance or prospects of the companies involved. These factors include global economic developments and market perceptions of the cannabis industry. There can be no assurance that continuing fluctuations in price will not occur. Other factors unrelated to the Company's performance that may influence the price of the Common Shares include a lessening in trading volume and general market interest in the Company's securities. A lessening in trading volume may affect a purchaser's ability to trade significant numbers of Common Shares, particularly given the number of Common Shares held by Tuatara, and may also limit the ability of some institutions to invest in the Company's securities. The market price per Common Share is also likely to be affected by changes in the Company's financial condition or results of operations.

Liquidity of the Common Shares

The Common Shares may be less liquid and trade at a discount relative to the trading that could occur in circumstances where Tuatara did not have the ability to significantly influence or determine matters affecting the Company. Tuatara's significant voting interest may discourage transactions involving a change of the Company's control, including transactions in which an investor, as a holder of Common Shares, might otherwise receive a premium for its Common Shares over the then current market price.

Market for Securities

Shareholders may be unable to sell significant quantities of Common Shares into the public markets without a significant reduction in the price of the Common Shares, or at all. There can be no assurance that there will be sufficient liquidity of the Common Shares, nor that Willow will continue to meet the listing requirements of the TSX or achieve listing on any other recognized stock exchange.

Sales of Tuatara's Common Shares

Tuatara is not contractually committed to maintaining an equity stake in the Company. Subject to compliance with applicable securities laws, Tuatara may sell some or all of its Common Shares. Tuatara also holds registration rights, on terms customary for a significant shareholder, pursuant to which the Company has agreed to facilitate sales of Common Shares by Tuatara. In addition, Tuatara has the right to require the Company to make disclosure to permit it to sell in certain circumstances. The impact of future sales of Common Shares by Tuatara may have an adverse impact on the market price of the Common Shares.

Tax Risk

Prospective investors should be aware that the purchase of any of Willow's securities may have tax consequences in Canada and other jurisdictions. Prospective investors should consult with their own independent tax advisor before purchasing any of Willow's securities.

Forward Looking Information May Prove to be Inaccurate

Investors are cautioned not to place undue reliance on forward looking information. By its nature, forward looking information involves numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

DIVIDENDS

The Company has not declared or paid any dividends since incorporation. Any decision to pay dividends on the Common Shares will be made by the Board on the basis of the Company's earnings, financial requirements and other conditions existing at the relevant time.

DESCRIPTION OF SHARE CAPITAL

The Company is authorized to issue an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. As at the date hereof, there were 123,448,723 Common Shares and nil Preferred Shares issued and outstanding.

Common Shares

Subject to the rights of holders of any other class, or series of any class, of shares of the Company to have separate meetings, holders of Common Shares are entitled to receive notice of and to attend all annual and special meetings of the Shareholders and to one vote in respect of each Common Share held at such meetings. Holders of Common Shares are entitled to receive dividends if, as and when declared by the Board out of the assets of the Company in such amounts and payable in such manner as the Board may from time to time determine. Subject to the rights of holders of Preferred Shares and any other class of shares of the Company entitled to receive dividends in priority to or concurrently with holders of Common Shares, the Board may in its sole discretion declare dividends on Common Shares to the exclusion of any other class of shares of the Company. In the event of the liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding

up its affairs, holders of Common Shares will, subject to the rights of holders of Preferred Shares and any other class of shares of the Company entitled to receive assets of the Company upon such a distribution in priority to or concurrently with holders of Common Shares, be entitled to participate in the distribution. Such distribution will be made in equal amounts per share on all Common Shares at the time outstanding without preference or distinction.

Preferred Shares

Preferred Shares may at any time and from time to time be issued in one or more series. Subject to the following provisions, the Board may from time to time before the issue thereof fix the number of shares in, and determine the designation, rights, privileges, restrictions and conditions attaching to the shares of, each series of Preferred Shares. Preferred Shares are entitled to priority over Common Shares and all other shares ranking junior to Preferred Shares with respect to the payment of dividends and the distribution of assets of the Company in the event of any liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs. Preferred Shares of each series will rank on a parity with Preferred Shares of every other series with respect to priority in the payment of dividends and in the distribution of assets of the Company in the event of any liquidation, dissolution or winding up of the Company or other distribution of assets of the Company among its shareholders for the purpose of winding up its affairs.

MARKET FOR SECURITIES AND TRADING VOLUME

The Common Shares are listed on the TSX under the symbol "WLLW". The following table sets forth the price range and trading volume of the Common Shares for the Company's most recently completed financial year, as reported by the TSX:

Month	High ($)	Low ($)	Volume
January	$0.89	$0.56	4,432,043
February	$0.76	$0.62	1,369,724
March	$0.66	$0.365	956,809
April	$0.49	$0.385	1,858,586
May	$0.45	$0.37	1,730,685
June	$0.55	$0.305	28,396,408
July	$0.58	$0.47	5,323,468
August	$0.81	$0.58	4,820,983
September	$0.78	$0.675	2,619,588
October	$0.75	$0.54	7,453,918
November	$0.58	$0.47	7,369,178
December	$1.17	$0.58	12,058,333

PRIOR SALES

During the year ended December 31, 2020, no securities have been issued by the Company that are outstanding but not listed or quoted on a marketplace, except as set forth below:

Issue Date	Transaction	Number and Type of Securities	Exercise Price per Security
November 17, 2020	Option Grant	150,000 Options	$0.55 per Common Share
August 12, 2020	Option Grant	644,000 Options	$0.79 per Common Share
June 4, 2020	Option Grant	981,920 Options	$0.41 per Common Share

DIRECTORS AND OFFICERS

The names, municipality of residence and principal occupation during the last five years of each of the directors and officers of the Company as of the date hereof are as follows:

Name and Municipality of Residence	Principal Occupation During the Past 5 years	Director and/or Officer Since	Position(s) Presently Held
Trevor Peters *Calgary, Alberta*	President, Chief Executive Officer and a director of BioCan from October 2014 to April 2019.	April 12, 2019	Chief Executive Officer and Director
Travis Doupe *Calgary, Alberta*	Chief Financial Officer of BioCan from May 2018 to April 2019. Prior thereto, Chief Financial Officer and Vice President, Finance, of Torenco Energy Inc., Oronova Energy Inc., a former international oil and gas exploration and production company, and Suroco Energy Inc., a former international oil and gas exploration and production company.	April 12, 2019	Chief Financial Officer
Dr. Chris Savile *Santa Clara, California*	Vice President, Commercial Operations, of Willow from April 2019 to May 2020. Prior thereto, Executive Director, Commercial Operations, at Intrexon, an American biotechnology company, from May 2015 to January 2019. Associate Director, Business Development at Codexis, Inc., a protein engineering company, from July 2014 to April 2015.	April 12, 2019	Chief Operations Officer
Dr. Mathias Schuetz *Langley, British Columbia*	Vice President, Research & Development, of the Company from April 2019 to January 2021. Prior thereto, Chief Scientific Officer of BioCan from September 2017 to April 2019. Adjunct Professor at the University of British Columbia since July 2018. Prior thereto, a Research Associate at the University of British Columbia since September 2011.	April 12, 2019	Vice President, Plant Science
Troy Talkkari *Calgary, Alberta*	Director of Institutional Equity Sales at GMP First Energy from September 2011 to August 2018.	May 2, 2019	Vice President, Corporate Development
Sony Gill *Calgary, Alberta*	Partner at Stikeman Elliott LLP. Prior thereto, a Partner at McCarthy Tétrault LLP.	April 12, 2019	Corporate Secretary

Name and Municipality of Residence	Principal Occupation During the Past 5 years	Director and/or Officer Since	Position(s) Presently Held
Dr. Peter Seufer-Wasserthal *Schlatt, Austria*	Chief Commercial Officer of Sestina Bio, LLC, a biotech company specializing in an alternative approach to synthetic biology, since July 2020. Prior thereto, Chief Business Officer of Origenis GmbH, a biotech company specializing in the development of highly selective small molecule kinase inhibitors for CNS disorders from February 2018 to December 2020 and Vice President, Business Development, at Intrexon Corporation, an American biotechnology company, from November 2013 to February 2018.	April 12, 2019	Chairman
Donald Archibald(1)(2) *Calgary, Alberta*	Independent businessman; President of Cypress Energy Corp., a private investment company, since March 2008. Mr. Archibald also serves on the board and various committees of Palisade Capital, Panorama Mountain Resort, Petronas Energy Canada, Serafina Energy Ltd. and Spartan Delta Corp.	April 12, 2019	Director
Dr. Fotis Kalantzis(1)(2) *Calgary, Alberta*	President and Chief Executive Officer of Spartan Delta Corp., an oil and gas exploration and production company, since December 2019. Prior thereto, Senior Vice President, Exploration, of Spartan Energy Corp. from December 2013 to May 2018.	April 12, 2019	Director
Sadiq H. Lalani(1) *Calgary, Alberta*	Vice President and Chief Financial Officer of Kelt Exploration Ltd., an oil and gas exploration and production company, since October 2012.	April 12, 2019	Director
Al Foreman(2) *New York, New York*	Managing Partner and the Chief Investment Officer of Tuatara, a sector-focused private equity firm, since 2014.	April 12, 2019	Director

Notes:

(1) Member of the Company's Audit Committee.
(2) Member of the Company's Corporate Governance and Compensation Committee.

As at the date hereof, the directors and officers of the Company, and their associates and affiliates, as a group, whether beneficial, direct or indirect, own 35,032,141 Common Shares, representing approximately 28.3% of the currently outstanding Common Shares.

The directors listed above will hold office until their successors are elected or appointed.

Cease Trade Orders or Bankruptcies

Except as disclosed below, none of the above directors or officers, or a securityholder anticipated to hold a sufficient number of securities of the Company to affect materially the control of the Company, as at or within 10 years before the date of this AIF, has been, a director, officer or promoter of any person or company that, while that person was acting in that capacity:

(a) was the subject of a cease trade or similar order, or an order that denied the other issuer access to any exemptions under applicable securities law, for a period of more than 30 consecutive days;

(b) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or

(c) been subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

Mr. Donald Archibald was a director of Waldron Energy Corporation ("**Waldron**") from December 31, 2009 to August 17, 2015. On August 6, 2015, the secured subordinated lender of Waldron demanded repayment in full of all amounts owed to it under its credit facility and gave notice of its intention to enforce its security. This repayment demand created a cross-default between Waldron and its secured bank lender, which subsequently demanded repayment in full of all amounts owed to it under its credit facility and also gave notice of its intention to enforce its security. After various discussions between Waldron and both its lenders, Waldron consented to the appointment of a receiver and manager on August 13, 2015. On August 17, 2015, a receiver and manager was appointed over the assets, undertakings and property of Waldron pursuant to an order of the Court of Queen's Bench of Alberta (the "**Court**").

Mr. Archibald was Chairman of Cequence Energy Ltd. ("**Cequence**") from July 30, 2009 to September 28, 2020. Pursuant to an amended and restated initial order of the Court on June 11, 2020, Cequence was granted authority to file with the Court a plan of compromise or arrangement under the *Companies' Creditors Arrangement Act* (the "**CCAA**"). On September 28, 2020, Cequence implemented a plan of compromise and arrangement (the "**CCAA Plan**") which was sanctioned on September 17, 2020 by order of the Court. The CCAA Plan marked the conclusion of the CCAA proceedings.

No proposed director or officer of the Company, or a securityholder anticipated to hold sufficient securities of the Company to affect materially the control of the Company, or a personal holding company of any such persons, has, within the 10 years before the date of this AIF, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or been subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or Promoter (as such term is defined in the *Securities Act* (Alberta)).

Penalties or Sanctions

No director or executive officer of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially the control of the Company, has been subject to: (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (b) any other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable investor in making an investment decision.

Conflicts of Interest

Certain of the directors and officers of the Company are also directors and/or officers of other reporting and non-reporting issuers, which may give rise to conflicts of interest. In accordance with corporate laws, directors who have an interest in a contract or a proposed contract with the Company are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors are required to act honestly and in good faith with a view to the best interests of the Company. Some of the directors of the Company have other employment or other business or time restrictions placed on them and accordingly, these directors of the Company will only be able to devote part of their time to the affairs of the Company. In particular, certain of the directors and officers are involved in managerial and/or director positions with other companies whose operations may, from time to time, provide financing to, or make equity investments in, competitors of the Company. Conflicts will be subject to the procedures and remedies available under the ABCA. The ABCA provides that in the event that a director has an interest in a contract or proposed contract or agreement, the director shall disclose his or her interest in such contract or agreement and shall refrain from voting on any matter in respect of such contract or agreement unless otherwise provided by the ABCA. Except as disclosed herein, the Company is not aware of any existing or potential material conflicts of interest between the Company and any director or officer of the Company as of the date hereof.

Mr. Gill, Corporate Secretary of the Company, is a partner of the national law firm Stikeman Elliott LLP, which law firm renders legal services to the Company.

Mr. Foreman, a director of the Company, is Managing Partner and the Chief Investment Officer of Tuatara, a significant shareholder of the Company.

AUDIT COMMITTEE INFORMATION

The purpose of the Company's Audit Committee is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the accounting, auditing, financial reporting, internal control and legal compliance functions of the Company. It is the objective of the Audit Committee to maintain open communication among the Board, the independent auditors and the financial and senior management of the Company.

Audit Committee Mandate

Willow's Audit Committee mandate sets out the committee's purpose, organization, duties and responsibilities. A copy of the mandate is attached hereto as Schedule "A".

Composition of Audit Committee

Willow's Audit Committee is comprised of Sadiq H. Lalani (Chair), Don Archibald and Fotis Kalantzis, all of whom are financially literate, as such term is defined in NI 52-110, and all of whom are considered independent under NI 52-110.

Relevant Education and Experience

Collectively, the Audit Committee of the Company has the education and experience to fulfill the responsibilities outlined in the Audit Committee mandate. Mr. Lalani is the Chief Financial Officer of a TSX listed oil and gas issuer, Kelt Exploration Ltd., and holds over 25 years' experience in leadership positions. Mr. Archibald has held senior executive positions in oil and gas issuers and has participated as a member of audit committees in the past. Dr. Kalantzis is the Chief Executive Officer of a TSXV listed oil and gas issuer, Spartan Delta Corp., and has held senior executive positions in oil and gas issuers in the past. Mr. Lalani holds a Bachelor of Commerce degree from the University of Calgary; Mr. Archibald holds a Bachelor of Commerce degree and a Master of Business Administration degree; and Dr. Kalantzis holds a M.Sc. from the University of Saskatchewan and a Ph.D. in Geophysics from the University of Alberta.

Each member of the Audit Committee has: (a) an understanding of the accounting principles used by the Company to prepare its financial statements; (b) the ability to assess the general application of those principles in connection with the estimates, accruals and reserves; (c) experience in preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Company's financial statements, or experience actively supervising individuals engaged in such activities; and (d) an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

Since the commencement of the Company's most recently completed financial year, Willow's board of directors has adopted all recommendations of the Audit Committee to nominate or compensate an external auditor.

Reliance on Certain Exemptions

Since the commencement of the Company's most recently completed financial year, Willow has not relied on the exemptions contained in Sections 2.4, 3.2, 3.3(2), 3.4, 3.5, 3.6, 3.8 or Part 8 of NI 52-110.

Pre-Approval Policies and Procedures

The Audit Committee has established a pre-approval policy and procedures for the engagement of non-audit services. The Audit Committee must approve all engagements for non-audit services which are expected to exceed $25,000 per engagement before the engagement may commence. For engagements for non-audit services which are expected to be less than $25,000, the engagement may commence upon approval by the Chairman of the Audit Committee with all members being informed of the service at the next meeting of the Committee. All recommendations for services will be submitted by the Chief Financial Officer.

External Auditor Service Fees (by Category)

Audit Fees

KPMG LLP has served as Willow's external auditors since May 14, 2019. Prior thereto, DMCL LLP served as Willow's external auditors from December 18, 2017 to May 13, 2019. The following table lists the fees paid or payable to KPMG LLP and DMCL LLP, by category, for the last two fiscal years:

	Year ended December 31, 2020	Year ended December 31, 2019
Audit fees[(1)]	$262,800	$166,855
Audit-related fees[(2)]	$-	$-
Tax fees[(3)]	$37,330	$62,133
All other fees[(4)]	$-	$-
Total fees	**$300,130**	**$228,988**

Notes:

(1) Audit fees consist of the aggregate fees billed for the audit or review of the Company's annual and quarterly financial statements that are normally provided in connection with statutory and regulatory filings or engagements.
(2) Audit-related fees consist of the aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements and are not reported as "Audit fees".
(3) Tax fees consist of the aggregate fees billed for tax compliance, tax advice and tax planning.
(4) For products and services other than the "Audit fees", "Audit-related fees" and "Tax fees" described above.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

To the best of the Company's knowledge, since the beginning of the most recently completed fiscal year, there have not been any legal proceedings to which the Company has been a party or of which any of its properties have been the subject matter, nor are any such proceedings known to the Company to be contemplated.

To the best of the Company's knowledge, since the beginning of the most recently completed fiscal year, there have not been any penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, and the Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than the Investor Rights Agreement, to the best of the Company's knowledge, there are no material interests, direct or indirect, of directors or executive officers of the Company, any shareholder who beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Common Shares, or any known associate or affiliate of such persons, in any transaction within the three most recently completed financial years of the Company or during the current financial year which has materially affected, or is reasonably expected to materially affect, the Company.

TRANSFER AGENT AND REGISTRAR

The Company's transfer agent and registrar is Odyssey at its principal office in Calgary, Alberta.

MATERIAL CONTRACTS

Except as disclosed below and other than contracts entered into in the ordinary course of business, there have been no material contracts entered into by the Company within the most recently completed financial year, or before the most recently completed financial year that are still in effect.

The following are material contracts of the Company required to be filed on SEDAR pursuant to NI 51-102:

(a) the Joint Development Agreement between the Company and Noramco dated June 4, 2019, as more particularly described in "*Description of the Business of the Company – Strategic Partnerships – Noramco*", a copy of which is available on SEDAR at www.sedar.com; and

(b) the Investor Rights Agreement between the Company and Tuatara dated April 12, 2019, as more particularly described in "*General Development of the Business – Three-Year History – Financial Year Ended December 31, 2019*", a copy of which is available on SEDAR at www.sedar.com.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under NI 51-102 by the Company during, or related to, the year ended December 31, 2020 other than KPMG LLP, the current auditor of the Company.

KPMG LLP is independent with respect to the Company within the meaning of the relevant rules and related interpretations prescribed in the relevant professional bodies in Canada and any applicable legislation or regulation.

In addition, none of the aforementioned persons or companies, nor any director, officer or employee of any of the aforementioned persons or companies, is or is expected to be elected, appointed or employed as a director, officer or employee of the Company or any associate or affiliate of the Company.

ADDITIONAL INFORMATION

Additional information relating to the Company can be found on SEDAR at www.sedar.com. Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Company's information circular for the Company's most recent Shareholders' meeting that involved the election of directors. Additional financial information is contained in the Company's consolidated financial statements and the related management's discussion and analysis for the year ended December 31, 2020.

SCHEDULE "A"
AUDIT COMMITTEE CHARTER

Effective as and from April 12, 2019

ROLE AND OBJECTIVE

The Audit Committee (the "**Committee**") is a committee of the board of directors (the "**Board**") of Willow Biosciences Inc. (the "**Corporation**") to which the Board has delegated its responsibility for oversight of the nature and scope of the annual audit, management's reporting on internal accounting standards and practices, financial information and accounting systems and procedures, financial reporting and statements and recommending, for Board approval, the audited financial statements and other mandatory disclosure releases containing financial information. The objectives of the Committee, with respect to the Corporation and its subsidiaries, are as follows:

1. To assist directors to meet their responsibilities in respect of the preparation and disclosure of the financial statements of the Corporation and related matters.

2. To provide better communication between the Board and external auditors.

3. To ensure the external auditors' independence.

4. To review management's implementation and maintenance of an effective system of internal control over financial reporting and disclosure control over financial reporting.

5. To increase the credibility and objectivity of financial reports.

6. To manage and oversee the Corporation's Whistleblowing Policy.

7. To facilitate in-depth discussions between directors on the Committee, management and external auditors.

The primary responsibility for the financial reporting, information systems, risk management and internal and disclosure controls of the Corporation is vested in management and overseen by the Board. At each meeting, the Committee may meet separately with management and will meet in separate, closed sessions with the external auditors and then with the independent directors in attendance.

MANDATE AND RESPONSIBILITIES OF COMMITTEE

Financial Reporting and Related Public Disclosure

1. It is a primary responsibility of the Committee to review and recommend for approval to the Board the annual and quarterly financial statements of the Corporation. The Committee is also to review and recommend to the Board for approval the financial statements and related information included in prospectuses, management discussion and analysis, financial press releases, information circular and proxy statements and annual information forms, including financial outlooks and future-oriented financial information included therein. The process should include but not be limited to:

    (a) reviewing changes in accounting principles, or in their application, which may have a material impact on the current or future years' financial statements;

    (b) reviewing significant management judgments and estimates that may be material to financial reporting including alternative treatments and their impacts;

(c) reviewing the presentation and impact of any significant risks and uncertainties that may be material to financial reporting including alternative treatments and their impacts;

(d) reviewing accounting treatment of significant, unusual or non-recurring transactions;

(e) reviewing adjustments raised by the external auditors, whether or not included in the financial statements;

(f) reviewing unresolved differences between management and the external auditors;

(g) determining through inquiry if there are any related party transactions and ensure the nature and extent of such transactions are properly disclosed; and

(h) reviewing all financial reporting relating to risk exposure including the identification, monitoring and mitigation of business risk and its disclosure.

2. The Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information from the Corporation's financial statements and periodically assess the adequacy of those procedures.

Internal Controls Over Financial Reporting and Information Systems

1. It is the responsibility of the Committee to satisfy itself on behalf of the Board with respect to the Corporation's internal control over financial reporting and information systems. The process should include but not be limited to:

(a) inquiring as to the adequacy and effectiveness of the Corporation's system of internal controls over financial reporting and review the evaluation of internal controls over financial reporting by external auditors;

(b) establishing procedures for the confidential, anonymous submission by employees of the Corporation of concerns relating to accounting, internal control over financial reporting, auditing or Code of Business Conduct and Ethics matters and periodically review a summary of complaints and their related resolution; and

(c) establishing procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters.

External Auditors

1. With respect to the appointment of external auditors by the Board, the Committee shall:

(a) be directly responsible for overseeing the work of the external auditors engaged for the purpose of issuing an auditors' report or performing other audit, review or attest services for the Corporation, including the resolution of disagreements between management and the external auditors regarding financial reporting;

(b) review the terms of engagement of the external auditors, including the appropriateness and reasonableness of the auditors' fees;

(c) review and evaluate annually the external auditors' performance, and periodically (at least every five years) conduct a comprehensive review of the external auditors;

(d) recommend to the Board appointment of external auditors and the compensation of the external auditors;

(e) when there is to be a change in auditors, review the issues related to the change and the information to be included in the required notice to securities regulators of such change;

(f) review and approve any non-audit services to be provided by the external auditors' firm and consider the impact on the independence of the auditors; between scheduled meetings, the Chair of the Committee is authorized to approve all audit related services and non-audit services provided by the external auditors for individual engagements with estimated fees of $25,000 and under; and shall report all such approvals to the Committee at its next scheduled meeting;

(g) inquire as to the independence of the external auditors and obtain, at least annually, a formal written statement delineating all relationships between the external auditors and the Corporation as contemplated by *Independence Standards Board Standard No. 1 – Independence Discussions with Audit Committees*;

(h) review the Annual Report of the Canadian Public Accountability Board ("**CPAB**") concerning audit quality in Canada and discuss implications for the Corporation;

(i) review any reports issued by CPAB regarding the audit of the Corporation; and

(j) discuss with the external auditors, without management being present, the quality of the Corporation's financial and accounting personnel, the completeness and accuracy of the Corporation's financial statements and elicit comments of senior management regarding the responsiveness of the external auditors to the Corporation's needs.

2. The Committee shall review with the external auditors (and the internal auditor if one is appointed by the Corporation) their assessment of the internal control over financial reporting of the Corporation, their written reports containing recommendations for improvement of internal control over financial reporting and other suggestions as appropriate, and management's response and follow-up to any identified weaknesses.

3. The Committee shall also review and approve annually with the external auditors their plan for their audit and, upon completion of the audit, their reports upon the financial statements of the Corporation and its subsidiaries.

Compliance

1. It is the responsibility of the Committee to review management's process for the certification of annual and interim financial reports in accordance with required securities legislation.

2. It is the responsibility of the Committee to ascertain compliance with covenants under loan agreements.

3. The Committee shall review the Corporation's compliance with all legal and regulatory requirements as it pertains to financial reporting, taxation, internal control over financial reporting and any other area the Committee considers to be appropriate relative to its mandate or as may be requested by the Board.

Other Matters

1. It is the responsibility of the Committee to review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and external auditors of the Corporation.

2. The Committee may also review any other matters that the Committee feels are important to its mandate or that the Board chooses to delegate to it.

3. The Committee shall undertake annually a review of this mandate and make recommendations to the Corporate Governance and Compensation Committee as to proposed changes.

COMPOSITION

1. This Committee shall be composed of at least three individuals appointed by the Board from amongst its members, all of whom shall be independent (within the meaning of section 1.4 and 1.5 of *National Instrument 52-110 Audit Committees* ("**NI 52-110**")) unless the Board determines to rely on an exemption in NI 52-110.

2. The chair of the Committee (the "**Committee Chair**") shall be appointed by the Board.

3. A quorum shall be a majority of the members of the Committee.

4. All of the members must be financially literate (within the meaning section 1.6 of NI 52-110) unless the Board has determined to rely on an exemption in NI 52-110. Being "financially literate" means members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements.

MEETINGS

1. The Committee shall meet at least four times per year and/or as deemed appropriate by the Committee Chair.

2. The Committee shall meet not less than quarterly with the auditors, independent of the presence of management.

3. Agendas, with input from management, shall be circulated to Committee members and relevant management personnel along with background information on a timely basis prior to the Committee meetings.

4. The chief executive officer and the chief financial officer of the Corporation, or their designates, shall be available to attend at all meetings of the Committee upon the invitation of the Committee.

5. Other staff shall attend meetings upon invitation by the Committee should the Committee deem them necessary for the provision of information.

REPORTING / AUTHORITY

1. Following each meeting, in addition to a verbal report, the Committee will report to the Board by way of providing copies of the minutes of such Committee meeting at the next Board meeting after a meeting is held (these may still be in draft form).

2. Supporting schedules and information reviewed by the Committee shall be available for examination by any director.

3. The Committee shall have the authority to investigate any financial activity of the Corporation and to communicate directly with the internal and external auditors. All employees are to cooperate as requested by the Committee.

4. The Committee may retain, and set and pay the compensation for, persons having special expertise and/or obtain independent professional advice to assist in fulfilling its duties and responsibilities at the expense of the Corporation.

5. The Committee shall annually review this mandate and make recommendations to the Corporate Governance and Compensation Committee as to proposed changes, if any.