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WILLOW BIOSCIENCES REPORTS FOURTH QUARTER AND FISCAL YEAR 2023 FINANCIALS AND OPERATIONS AND FILING OF ITS 2023 AIF

Completed the reorganization of the Company during 2023 with all lab operations now located in the Sunnyvale, California

Record revenue in 2023 of $1.2 million representing 43% growth over 2022

Record number of new collaborations executed in 2023, with four new partnerships during the year that position Willow for continued growth in 2024

SUNNYVALE, Calif., March 28, 2024 /CNW/ - Willow Biosciences Inc. ("Willow" or the "Company") (TSX: WLLW) (OTCQB: CANSF), a leading biotechnology company focused on revolutionizing industrial manufacturing of pure, consistent, and sustainable ingredients is pleased to announce its financial and operating results for the three months and year ended December 31, 2023, and filing of its Annual Information Form ("AIF"). Selected financial and operational information is outlined below and should be read with Willow's audited consolidated financial statements and management's discussion and analysis as of December 31, 2023, which are available on SEDAR+ at www.sedarplus.ca.

"Fiscal 2023 was a transformative year for Willow as we continued to take significant steps to position the company for nearer term revenue creation, expanded our product pipeline, reduced our cash burn and moved all operations to a new lab in Sunnyvale, California," said Dr. Chris Savile, Willow's President and CEO. "The result of these activities was the signing of four new partnerships as well as launching a corticosteroid program which we anticipate partnering during the first half of 2024."

Fourth quarter and recent highlights

- Continued to progress the Company's transformative corticosteroid manufacturing platform with proof of concept now established on multiple large volume corticosteroids, including hydrocortisone, prednisolone, and prednisone.
- Completion of a non-brokered financing for $800,000 with significant participation from Company insiders consisting of convertible debentures and warrants.
- Announced a collaboration with Suanfarma, a global manufacturer of pharmaceutical ingredients, for the development of a large volume anti-infective active pharmaceutical ingredient.
- Advanced an existing partnership and a new partnership with Kalsec to develop natural ingredients for the food and beverage sectors, respectively.
- Advanced the Company's collaboration with a leading Biopharmaceutical Company to develop high-value advanced intermediates and active pharmaceutical ingredients.

RESULTS OF OPERATIONS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

Financial Results	**2023**	**2022**
Revenue	$ 1,172	$ 821
General and administrative	5,598	7,641
Research and development	6,800	7,473
Share based compensation	420	1,461
Depreciation and amortization	1,831	2,646
Gain on right of use asset	-	(15)
Foreign exchange (gain) loss	(295)	8
Gain on fair value warrant liability	(23)	(3,742)
Restructuring costs	-	384
Net finance income	(125)	(274)
Loss before income taxes	(13,034)	(14,761)
Current income tax expense	10	53
Deferred income tax recovery	(15)	-
Total income tax (expense) recovery	(5)	53
Net loss	(13,029)	(14,814)
Foreign exchange (loss) gain on translation of foreign operations	(48)	45
Net comprehensive loss	$ (13,077)	$ (14,769)
Basic and diluted loss per share	$ (0.10)	$ (0.12)

	As at December 31	
Statement of Financial Position:	**2023**	**2022**
Cash and cash equivalents	$ 3,145	$ 11,007
Total assets	6,673	18,148
Shareholders' equity	3,436	16,374

Business Outlook for 2024

With the Company's success in executing on its 2023 milestones and the anticipation that it will successfully execute on those targeted for 2024, Willow currently expects significant revenue growth over 2024 along with a demonstrable reduction in cash burn toward its goal of noted improvement in bottom-line financial results.

- Willow continues to be on target for achieving the 2024 milestones outlined in its January 10, 2024 press release:
  - **Execution of commercial agreements on its existing programs:** With the continued success on its existing partnered R&D programs, the Company anticipates the execution of at least one commercial agreement in the first half of 2024 and additional agreements in the second half of the year that could include milestone, profit share, license or royalty payments.
  - **Transition of R&D programs to commercial revenue:** With multiple R&D programs now complete or nearing completion, the Company anticipates generating first commercial revenues from at least two products as they transition to commercial production. Commercial revenue is expected to be potentially milestone, royalty, and ingredient supply revenue.
  - **Significant increase in revenues:** Full year R&D revenues for 2024 are expected to increase by over 100% compared to 2023. In addition, commercial stage revenue is expected to commence on multiple programs.
  - **Closing at least one partnership agreement on its corticosteroid programs:** Given the ongoing discussions with potential partners with regards to our transformative manufacturing process for hydrocortisone, prednisolone, budesonide and other corticosteroids, the Company anticipates execution of one large strategic partnership or multiple product specific partnerships to bring these target molecules to commercial scale manufacturing.
  - **Announcing additional new partnerships with a focus on innovators:** Based on the proven applicability and scalability of the BioOxi platform and ongoing dialog with multiple potential parties, the Company anticipates signing two or more additional partnerships in the first half of 2024 and additional partnerships in the second half of the year to develop biobased manufacturing processes for innovator-owned targets.
  - **Continued advancement of its core technology platform:** The Company continues to advance its platform through development of generative AI-powered enzyme discovery and design capabilities coupled with proprietary HTP gene editing tools to enable rapid development of industrially relevant enzymes and organisms. Continuous improvements toward leaner and more cost-effective development cycles include onboarding rapid DNA sequencing capabilities and developing protocols to multiplex thousands of reactions in a single run with the goal of doubling output with current resources.

About Willow Biosciences Inc.

Willow develops and produces precision fermented ingredients for the health and wellness, food and beverage, and personal care markets. Willow's FutureGrown™ and BioOxi™ platforms enable large-scale production with sustainability at its core. Willow's R&D team has a proven track record of developing and commercializing bio-based manufacturing processes and products to benefit our B2B partners and their customers. For more information, visit www.willowbio.com.

FutureGrown™ and BioOxi™ are registered trademarks of Willow Biosciences Inc. All other trademarks are trademarks of their respective holders.

Forward-Looking Statements

This news release may include forward-looking statements including opinions, assumptions, estimates and the Company's assessment of future plans and operations, and, more particularly, statements concerning: the ability to accommodate new programs and to expand R&D capabilities with new partners and customers; intentions and expectations with respect to Willow's existing partnerships and the benefits thereof; expectations regarding future partnerships including in respect of plans to close at least one partnership agreement on its corticosteroid programs as well as plans regarding the signing of two or more additional partnerships in the first half of 2024 and additional partnerships in the second half of the year to develop biobased manufacturing processes for innovator-owned targets; expectations surrounding Willow's execution of commercial agreements on its existing programs in 2024 and the timing thereof (including the execution of at least one commercial agreement in the first half of 2024 and additional agreements in the second half of the year that could include milestone, profit share, license or royalty payments); Willow's business outlook for 2024; the demand and market size potential of the synthetic ingredients industry; expectations regarding financial positioning and growth on a go-forward; expectations regarding growth in 2024, including significant revenue growth and improved bottom-line financial results; expectations regarding commercial revenue and the composition and timing thereof (including the expectation that commercial stage revenue will commence on multiple programs and the transition of R&D programs to commercial revenue); Willow's intended focus on a go-forward; expectation that R&D revenue will increase over 100% over the prior year; the continued advancement of Willow's core technology platform and Willow's plans in respect thereof; Willow's 2024 budget and anticipated expenditures; the achievement of 2024 milestones; and the business plan of the Company, generally, including becoming a leader in precision fermentation, research and production of functional ingredients. When used in this news release, the words "will," "anticipate," "believe," "estimate," "expect," "intent," "may," "project," "should," and similar expressions are intended to be among the statements that identify forward-looking statements. The forward-looking statements are founded on the basis of expectations and assumptions made by the Company which include, but are not limited to: the success of Willow's strategic partnerships and customer relationships, including the development of future strategic partnerships and customer relationships; the financial strength of the Company; the ability of the Company to fund its business plan using cash on hand and existing resources; the market for Willow's products; the ability of the Company to obtain and retain applicable licences; the ability of the Company to obtain suitable manufacturing partners and other strategic relationships; and the successful implementation of Willow's commercialization and production strategy, generally. Forward-looking statements are subject to a wide range of risks and uncertainties, and although the Company believes that the expectations represented by such forward-looking statements are reasonable, there can be no assurance that such expectations will be realized. Any number of important factors could cause actual results biotechnology industry in general; the success of the Company's research and development strategies; infringement on intellectual property; failure to benefit from partnerships or successfully integrate acquisitions; actions and initiatives of federal and provincial governments and changes to government policies and the execution and impact of these actions, initiatives and policies; competition from other industry participants; adverse U.S., Canadian and global economic conditions; adverse global events and public-health crises, failure to comply with certain regulations; departure of key management personnel or inability to attract and retain talent; and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities. Please refer to the Company's most recent annual information form and management's discussion and analysis for additional risk factors relating to Willow, which can be accessed either on Willow's website at www.willowbio.com or under the Company's profile on www.sedarplus.ca.

This press release contains financial outlook and future-oriented financial information (collectively, "FOFI") about Willow's prospective financial performance, financial position, bottom-line financial results, cash burn, cash balances, or revenue, including expectations of significant revenue growth over 2024 along with a demonstrable reduction in cash burn and that 2024 R&D revenue will increase over 100% over the prior year, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this document was approved by management as of the date of this document and was provided for the purpose of providing further information about Willow's future business operations. Willow and its management believe that FOFI has been prepared on a reasonable basis, reflecting management's best estimates and judgments, and represent, to the best of management's knowledge and opinion, the Company's expected course of action. However, because this information is highly subjective, it should not be relied on as necessarily indicative of future results. Willow disclaims any intention or obligation to update or revise any FOFI contained in this document, whether as a result of new information, future events or otherwise, unless required pursuant to applicable law. Readers are cautioned that the FOFI contained in this document should not be used for purposes other than for which it is disclosed herein. Changes in forecast commodity prices, differences in the timing of capital expenditures, and variances in average production estimates can have a significant impact on the key performance measures included in Willow's guidance. The Company's actual results may differ materially from these estimates.

The forward-looking statements contained in this news release are made as of the date hereof and the Company does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, except as required by applicable law. The forward-looking statements contained herein are expressly qualified by this cautionary statement.

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