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WILLOW BIOSCIENCES REPORTS FIRST QUARTER 2024 FINANCIAL RESULTS AND PROVIDES CORPORATE UPDATE

Company continues to advance its corticosteroid production platform and anticipates signing a large strategic partnership in Q2 2024

Signed two new program agreements, and advanced three programs to the next phase of development toward commercialization

Willow reiterates its expectations of at least doubling its full year 2024 revenues

SUNNYVALE, Calif., May 13, 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 functional ingredients, today released its financial and operating results for the three months ended March 31, 2024, reporting significantly reduced costs and further progress in its commercial expansion.

"The first quarter was marked by significant progress on our strategy to focus technical and business development efforts on our transformative BioOxi process for manufacturing corticosteroids," said Dr. Chris Savile, Willow's President & CEO. "Based on our progress, we anticipate signing a large strategic partnership in the second quarter to co-develop and commercialize the target corticosteroids that are expected to generate near-term R&D revenue and longer-term upside through commercial royalties. These new expected programs combined with our existing collaborations are expected to drive significant revenue growth during the year," continued Dr. Savile.

First quarter and recent corporate highlights

- On January 16, 2024, Willow announced a new collaboration with Enterin, Inc., a clinical stage biopharmaceutical innovator to develop a new sustainable manufacturing route to their key intermediates and active pharmaceutical ingredients ("**APIs**"). Enterin is focused on development of groundbreaking therapeutics for treatment of neurodegenerative diseases including Parkinson's and Alzheimer's disease. Development is ongoing.
- On January 31, 2024, Willow announced a new program with a leading API manufacturer to develop a more sustainable, cost-effective manufacturing route for their largest product sold globally. The API is a key ingredient in an over-the-counter (OTC) medicine that is part of a multi-billion dollar segment. Development is ongoing.
- On February 20, 2024 and February 29, 2024, Willow announced multiple strategic investments from Kalsec, a leading global producer of natural taste and sensory, food protection, colors and advanced hops ingredients for the food and beverage industry, for the continued development of a large-volume, high value natural ingredient for savory food applications. The investments were in the form of private placements into Willow.

First quarter financial highlights

- Willow ended the quarter with approximately $1.6 million in cash as of March 31, 2024.
- Willow continued to transition to a more efficient company with a total cash burn from operating activities reduced by 53%, compared to the same period in the prior year. The Company is on track to achieve a total monthly cash burn to below $0.5 million per month for the year.

The Company remains steadfast in its revenue expectations for FY 2024 revenues to at least double from FY 2023. This revenue expectation for FY 2024 is forecast to be driven from existing programs as well as new expected programs to be signed during the year.

Willow's unaudited consolidated interim financial statements and related management's discussion and analysis ("**MD&A**") for the quarter ended March 31, 2024, are available on the Company's SEDAR+ profile at www.sedarplus.ca.

About Willow Biosciences Inc.

Willow develops and produces precision fermented functional 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.

Forward-Looking Statements

This news release may include forward-looking statements including opinions, assumptions, estimates and the Company's assessment of future plans, operations and expansion, and, more particularly, statements concerning: Willow's business outlook for the remainder of 2024, including revenue growth and reduced cash burn; development programs with existing partners and pipeline of potential partners; execution of a significant deal in the second quarter of 2024, including timing and anticipated benefits thereof; the demand and market size potential of the synthetic ingredients industry; and the business plan of the Company. 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, including the development of future strategic partnerships; 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; completion of the strategic partnership described in this press release; 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, state 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 MD&A 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 SEDAR+ profile on www.sedarplus.ca.

Any financial outlook and future-oriented financial information contained in this document regarding prospective financial performance, financial position, cash balances or revenue is based on assumptions about future events, including economic conditions and proposed courses of action based on management's assessment of the relevant information that is currently available. Projected operational information contains forward-looking information and is based on a number of material assumptions and factors, as are set out above. These projections may also be considered to contain future-oriented financial information or a financial outlook. The actual results of the Company's operations for any period will likely vary from the amounts set forth in these projections and such variations may be material. Actual results will vary from projected results. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein.

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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https://www.prnewswire.com/news-releases/willow-biosciences-reports-first-quarter-2024-financial-results-and-provides-corporate-update-302143194.html

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