



# WILLOW BIOSCIENCES REPORTS THIRD QUARTER 2024 FINANCIAL RESULTS AND PROVIDES CORPORATE UPDATE

*Company reports record revenue of \$1.7 million in Q3*

*Company announced a partnership in the high growth biopesticides sector that is expected to generate over \$2 million in revenue in its first year*

*Company closed a brokered financing for aggregate gross proceeds of \$1.6 million*

*Company signed a royalty agreement with Kalsec that includes milestone payments and tiered royalty payments on net worldwide sales after launch*

*Company signed a second program with a global ingredient manufacturer to develop an enzyme for a large volume API and in November successfully completed its first program with the partner*

*Willow increasing its 2024 revenue guidance for the year to over \$4.5 million*

SUNNYVALE, Calif., Nov. 12, 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, announces third quarter financial results and provides a corporate update.

"I'm proud of the high performance of our team, reporting record revenues in the quarter, as well as the continued expansion of our business development pipeline that we anticipate will generate continued revenue growth. We believe the third quarter was an inflection point for Willow as our pipeline expansion growth was with large, well-respected partners in sectors that reinforce our position in key high-growth industrial markets while our current partnered programs continue to advance closer to commercialization." said Dr. Chris Savile, Willow's President and CEO. "More specifically, during the quarter we delivered the first strain to our largest partnered program with Laurus Labs, signed a commercial license and royalty agreement with our food ingredient partner, Kalsec, and continued to expand our portfolio by partnering with an innovative Ag-Biotech company to develop a strain for production of a biopesticide and a global ingredient manufacturer to develop an enzyme for production of a large volume active pharmaceutical ingredient," continued Dr. Savile.

## Third quarter and recent operational and financial highlights

### Operational Highlights

- Willow has advanced several of the programs included in its partnership with Laurus Labs and has recently delivered a strain for the first program to enable scaling and process development at Laurus. Willow and Laurus expect the first programs to reach commercial manufacture in 2025.
- On September 5, 2024, the Company announced signing a commercial license and royalty agreement with Kalsec, Inc. Through this commercial license and royalty agreement, Willow expects to receive milestone payments for the first pilot and industrial batches followed by tiered royalty payments on net worldwide sales after launch. Willow expects R&D to be completed later this year or early next year and scaling to start in 2025.
- On August 7, 2024, the Company announced that it signed a new fully funded strain engineering program with an innovative Ag-Biotech company in the biopesticides sector that is expected to generate over \$2 million in R&D revenue in 2024 and 2025. The program is on track and has already achieved the first set of R&D milestones.
- Company successfully completed its first program with a leading Active Pharmaceutical Ingredient ("API") manufacturer to develop a more sustainable, cost-effective manufacturing route for their largest product sold globally. In addition to the final R&D payment, the Company expects to receive additional milestone payments in 2025 for achieving the defined performance targets for the program.
- On September 18, 2024, Willow announced a second program with the API manufacturer, to develop a more sustainable, cost-effective manufacturing route for a large volume ingredient used in a therapeutic with a global market in excess of \$1 billion.
- Based on current business development activities, Willow also anticipates signing 1-2 new partnerships in the fourth quarter of 2024.

### Financial Highlights

- Record revenue of over \$1.7 million in Q3 and increasing revenue guidance for the year of over \$4.5 million in 2024 from its existing partnerships. In addition, Willow has an active pipeline and anticipates signing 1-2 new programs before the end of 2024, which could further increase near term revenue.
- On July 18, 2024, Willow announced that it closed a brokered private placement offering of 16,397,365 units of the Company at a price of \$0.10 per Unit for aggregate gross proceeds to the Company of \$1,639,736. Willow intends to use the proceeds to support the Company's enzyme engineering of existing pipeline of products, including the funding of products relating to the Company's recently announced strategic partnership with Laurus Labs, strain engineering of existing pipeline of products, working capital requirements and general corporate purposes.

## RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

	Three months ended September 30		Nine months ended September 30	
Financial Results	2024	2023	2024	2023
Revenue	\$ 1,703	\$ 674	\$ 2,780	\$ 1,083
General and administrative	932	1,104	2,602	4,412
Research and development	1,420	1,597	3,760	5,621
Share based compensation	65	(346)	329	338
Depreciation and amortization	314	558	1,019	1,454
Gain on sale of property, plant and equipment	-	-	(135)	-
Foreign exchange loss	1	-	7	17
Gain on fair value warrant liability	-	(5)	-	(23)
Net finance expense (income) loss	52	(3)	132	(151)
Loss before income taxes	1,081	2,231	4,934	10,585
Current income tax expense	165	-	357	20
<b>Net loss</b>	<b>1,246</b>	<b>2,231</b>	<b>5,291</b>	<b>10,605</b>
Foreign exchange gain (loss) on translation of foreign operations	(13)	(28)	39	(15)
Net comprehensive loss	\$ 1,259	\$ 2,259	\$ 5,252	\$ 10,620
Basic and diluted loss per share	\$ (0.01)	\$ (0.02)	\$ (0.04)	\$ (0.09)

	September 30	December 31
Statement of Financial Position:	2024	2023
Cash and cash equivalents	\$ 859	\$ 3,145
Total assets	3,171	6,673
Shareholders' equity	197	3,436

## 2024 Outlook

The Company is increasing its research and development revenue guidance from its existing programs to be in excess of \$4.5 million for full year 2024, an increase of over 380% compared to 2023. In addition, the Company expects to add one or more funded partnered programs before the end of 2024 that could further grow near-term revenue and one or more new internal programs for partnering in 2025, providing additional longer-term revenue growth.

## About Willow Biosciences Inc.

Willow develops biomufacturing processes for producing high value ingredients in pharmaceutical, food and beverage, agriculture, and consumer 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](http://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, platforms, operations and expansion, and, more particularly, statements concerning: the collaboration agreement and development program with Laurus Labs, including the ability to accommodate new programs and to expand capabilities and transition R&D programs to commercial revenue; the expectation of the first programs with Laurus Labs reaching commercial manufacture; expansion into the high growth biopesticide sector pursuant to a new partnered program; expectations of signing any new programs before the end of 2024; the demand and market size potential of the synthetic ingredients and biopesticides industries; and the business plan of the Company, generally. 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 partnerships with Laurus Labs and an innovative Ag-Biotech company and 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; 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 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](http://www.willowbio.com) or under the Company's profile on [www.sedarplus.ca](http://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, including the anticipated revenue of over \$4.5 million for 2024 on existing programs, 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.

Certain information contained herein has been obtained from published sources prepared by independent industry analysts and third-party sources (including industry publications, surveys and forecasts). While such information is believed to be reliable for the purposes used herein, Willow does not assume any responsibility for the accuracy of such information. The sources cited in this news release have not consented to the inclusion of any data from their reports, nor has Willow sought their consent.

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