



WILLOW ANNOUNCES SALE OF OPERATING SUBSIDIARY

Calgary, Alberta – March 14, 2025 – Willow Biosciences Inc. ("**Willow**" or the "**Company**") (TSX: WLLW) (OTCQB: CANSF), a biotechnology company focused on industrial manufacturing of ingredients, announces that it has entered into a definitive agreement dated March 14, 2025 (the "**Agreement**") with an privately-held, arms-length entity based in the United Kingdom (the "**Purchaser**"), pursuant to which the Purchaser will acquire the Company's wholly-owned operating subsidiary, Epimeron USA, Inc. ("**Epimeron**"), including the Company's biotechnology business, intellectual property and R&D team, for US\$3.38 million in cash, subject to working capital and net debt closing adjustments (collectively, the "**Transaction**").

The Transaction is the culmination of the Company's previously announced strategic review.

The Company intends to apply a portion of the net proceeds to debt reduction, and will retain the remainder of the proceeds pending a review of its futures cash requirements and potential opportunities, with a view to maximizing shareholder value.

Closing of the Transaction is expected to occur on or about April 30, 2025, subject to customary closing conditions. The Transaction must be approved by shareholders holding at least 66.67% of shares voted in person or by proxy at an annual general and special meeting of shareholders, which will be held April 25, 2025 (the "**Meeting**"). The Transaction has been approved unanimously by Willow's Board of Directors, which has determined that the Transaction is in the best interests of Willow and its shareholders and unanimously recommends that shareholders vote in favour of approving the Transaction at the Meeting. Willow's major shareholders, Directors and Officers, who collectively control approximately 22.17% of the outstanding common shares of Willow, have each entered into a voting support agreement pursuant to which they have irrevocably agreed to vote all common shares in favour of the Transaction at the Meeting.

The Agreement contains customary representations and warranties of each party and interim operational covenants by Willow. The Agreement also includes customary support provisions and fiduciary duty governance terms typical for transactions of this nature.

Additional information concerning the Transaction and the Meeting will be disclosed in more detail in Willow's management information circular (the "**Information Circular**"). Copies of the Agreement and the Information Circular for the Meeting will be filed with Canadian securities regulators and will be available on the SEDAR+ profile of Willow at www.sedarplus.ca. Shareholders of Willow are urged to read the Information Circular and other relevant materials when they become available because such materials will contain important information about the Transaction.

About Willow Biosciences Inc.

Willow develops biomanufacturing 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.

FutureGrown™ and BioOxi™ are registered trademarks of Willow Biosciences Inc.

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Forward-Looking Statements

This news release may include forward-looking statements including opinions, assumptions, estimates and the Company's assessment of future plans, platforms and operations, and, more particularly, without limitation, statements concerning the completion of the Transaction and its expected benefits; the anticipated timing for the annual and special meeting of the shareholders and the closing of the Transaction; the use of proceeds from the Transaction; and potential future opportunities. 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 satisfaction of all conditions to the completion of the Transaction. 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 to differ, including, but not limited to: risks inherent in the biotechnology industry in general; counterparty risk to closing the Transaction; the success of the Company's research and development strategies; infringement on intellectual property; failure to benefit from partnerships; the risk that financing alternatives may not be available on favourable terms or at all; 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. Completion of the Transaction is subject to a number of conditions which are typical for transactions of this nature. Failure to satisfy any of these conditions, the emergence of a superior proposal or the failure to obtain approval of shareholders may result in the termination of the Agreement. The foregoing list is not exhaustive. 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.

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.