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WILLOW BIOSCIENCES PROVIDES CORPORATE UPDATE AND ANNOUNCES SIGNING OF A NEW PARTNERED PROGRAM

Company announced multi-product development and licensing partnership with Laurus Labs for manufacturing active pharmaceutical ingredients

Company anticipates revenue of over $1.0 million in Q2, and over $3.5 million for 2024 on existing programs

Company expands its AI platform with the appointment of AI expert and industry veteran Dr. Richard Fox as Senior Advisor, AI Platform Technologies

Company appoints Mr. Gregory Rocklin, as Senior Advisor, Business and Corporate Development to continue strategic partnership initiatives after securing the multi-product partnership with Laurus Labs

Company announces its first patent being issued; anticipates filing another five patents in 2024 primarily related to its steroid production platform

Company expands into the high growth biopesticide sector with addition of new partnered program

SUNNYVALE, Calif., June 26, 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 a corporate update on its operations.

"The second quarter of 2024 has been the most active quarter to date for Willow's product portfolio," said Dr. Chris Savile, Willow's President & CEO. "In addition to signing an agreement with global manufacturing giant, Laurus Labs, that added seven new programs in late May, Willow has added a new "proof of concept" agreement with an innovative biotech company in the high growth biopesticide sector," continued Dr. Savile.

Laurus Labs Partnership

On May 30, 2024, the Company announced a strategic partnership with Laurus Labs to develop new biobased routes for seven active pharmaceutical ingredients. Willow will leverage its AI-driven technology platform and extensive experience in enzyme, strain, and process engineering to deliver biobased processes for high-value Active Pharmaceutical Ingredients (APIs) with existing markets, including Willow's BioOxi™-based corticosteroid processes, for large scale manufacturing, sales, and distribution at Laurus. Willow and Laurus expect these first programs to reach commercial manufacture in 2025.

Under the terms of the collaboration, Willow expects to earn significant annual revenues in research & development and royalties, including $4.0 million in guaranteed research & development payments in year one. Upon commercialization of the APIs, Willow will receive an annual royalty based on worldwide sales. With the addition of guaranteed monthly revenue under the program, Willow has managed to further reduce its monthly burn rate. The new partnership with Laurus is not expected to add to Willow's costs as it is a continuation of the existing work that Willow has been doing in-house since Q3, 2023.

Revenue Growth

The Company anticipates a total of over $1.0 million in revenue in Q2, and over $3.5 million in 2024 from its existing partnerships, including with Laurus. In addition, Willow has an active pipeline and anticipates signing 2-3 new programs before the end of 2024, which could further increase near term revenue.

IP Portfolio

Willow continues to build out its IP portfolio with the first of its cannabinoid patents being recently granted. Willow's patent portfolio consists of 15 patent filings for its various programs and anticipates filing at least 5 additional patents through 2024 primarily related to its steroid production technology.

Appointment of Senior Advisors

The Company is happy to announce the appointments of Dr. Richard Fox and Mr. Gregory Rocklin as senior advisors. Dr. Richard Fox has joined Willow as a Senior Advisor, AI Platform Technologies. Dr. Fox is a highly accomplished industry veteran with 25 years of experience in the fields of data science, computational biology, protein, metabolic, and genome engineering. He has deep knowledge and expertise in directed evolution, biostatistics, computational biology, and artificial intelligence. Dr. Fox is widely recognized for his contributions to the development of AI-driven enzyme engineering and data science tools and strategies for the rapid forward engineering of biological systems.

Mr. Gregory Rocklin has joined as Senior Advisor, Corporate Development. Mr. Rocklin has 30+ years of experience in the pharmaceutical industry in corporate and business development roles, including mergers, acquisitions, divestitures, strategy, product licensing, and financings. Mr. Rocklin was responsible for securing the recent multi-million-dollar deal with Laurus Labs and will continue to focus on securing additional high value strategic deals in the pharmaceutical, nutraceutical, and chemical sectors.

Biopesticides

Biochemical pesticides are naturally occurring substances that control pests through non-toxic, targeted mechanisms resulting in enhanced crop productions. According to Fortune Business Insights, the global biopesticides market is $8.7 billion in 2024 with a CAGR of 15.9%. Biopesticides are typically safer and more environmentally friendly than conventional pesticides but can be challenging to produce at large scale. Willow recently partnered with an innovative Ag-Biotech company to apply its technology platform to production of a class of bioactive pesticides. Should the first feasibility phase prove successful, the Company expects to continue a full development program that would include additional research fees, milestones and potential future royalties.

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, 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 in 2025; expansion into the high growth biopesticide sector pursuant to a new partnered program; expectations of signing 3-5 new programs before the end of 2024; the anticipated filing another five patents in 2024 primarily related to its steroid production platform; the impact of newly appointed strategic advisors and the Company's AI platform; 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 or under the Company's 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, including the anticipated receipt of revenue of over $1.0 million in Q2, and over $3.5 million for 2024 on existing programs, including $4.0 million in guaranteed research & development payments in year one under the collaboration agreement and future annual royalties based on worldwide sales upon commercialization of APIs, 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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