



WILLOW BIOSCIENCES REPORTS SECOND QUARTER 2019 RESULTS AND PROVIDES OPERATIONS UPDATE

Calgary, Alberta – August 29, 2019 – Willow Biosciences Inc. (“**Willow**” or the “**Company**”) (CSE: WLLW) has released its financial and operating results for the three and six months ended June 30, 2019. Selected financial and operational information is outlined below and should be read in conjunction with Willow’s unaudited condensed consolidated interim financial statements for the three and six months ended June 30, 2019 and related management’s discussion and analysis which are available on SEDAR at www.sedar.com.

“Over the past few months, we have made impressive progress in advancing our business on several important fronts,” said Trevor Peters, Willow’s President and Chief Executive Officer. “We have assembled a team of proven business executives and world-renowned scientists to lead the development of our high quality consumer, wellness, and pharmaceutical ingredient manufacturing programs. The development of our yeast-based cannabinoid production platform is progressing well and we expect to initiate the scaling up of our process in the first half of 2020. In addition to advancing our development operations, we are focused on positioning Willow for successful future commercialization through our recently signed strategic partnership with Noramco, Inc. (Noramco), one of the world’s leading pharmaceutical cannabinoid ingredient producers.”

Highlights for the Quarter:

- Willow expanded its operations in the quarter to include three facilities, located in Calgary, Alberta, Mountain View, California and Burnaby, British Columbia. Each facility is strategically located to leverage the unique service provider resources and highly qualified personnel available in that region, allowing us to focus on relevant aspects of our development process at each facility, while also encouraging collaboration within the teams.
- Willow made key appointments to its management team and board of directors in the second quarter, bringing together a wealth of experience in capital markets, governance and commercialization. Our science team includes some of the industry’s leading minds with unique and proven abilities in developing and commercializing biosynthetically produced pharmaceutical grade ingredients. Our management team and board of directors bring a broad and complementary range of experience and skills, including demonstrated leadership abilities, strong business acumen, deep industry knowledge and extensive operational experience in commercial development and start-up organizations.
- On June 4, 2019, Willow signed an exclusive Joint Development Agreement (JDA) with Noramco. This strategic partnership aligns Willow with an industry leader and allows us to benefit from Noramco’s extensive experience, resources, and expertise in navigating a highly regulated environment and in pharmaceutical ingredient production, marketing and distribution.
- During the second quarter, Willow completed a reverse takeover and raised gross proceeds of approximately \$37.0 million to support the research, development, scale-up and commercial

launch of our yeast-based, pharmaceutical grade ingredient production platform. At June 30, 2019, Willow was well positioned with strong liquidity, including \$28.8 million of cash on hand.

- Willow's management team and board of directors continue to demonstrate their belief in the Company's long-term value creation opportunities. To date, since the completion of the reverse takeover in April 2019, officers and directors have purchased approximately 225,000 common shares of the Company (Shares) on the open market, bringing the total owned to 28% of issued and outstanding Shares. Including the 29% ownership of Tuatara Capital, L.P. (Tuatara), the total insider ownership is 58% of issued and outstanding Shares.

Operational Update

At our new facility in Calgary, Alberta, we focus on deploying Willow's proprietary genomics tools to resolve the key bottlenecks that impede maximum biosynthetic cannabinoid production in our industrially appropriate yeast manufacturing system. The research team led by Dr. Peter Facchini includes 11 highly experienced scientists with backgrounds in genomics, plant biochemistry, chemistry and analytics. The 4,000 square foot secure facility employs cutting-edge bioassay capabilities, liquid handling robots, and analytical instrumentation, and leverages access to the University of Calgary's plant cultivation resources and growth chambers.

In Mountain View, California, our team exploits a wide variety of high throughput screening technologies to identify and deploy additional genetic elements and solutions to further enhance production from our working cannabinoid-producing yeast strains. This secure facility includes cutting-edge automated yeast colony picking, liquid handling robots, and analytical instrumentation combined with large scale bioinformatics and data handling systems to rapidly evaluate high volumes of data and results. The research team currently consists of 11 highly experienced staff including several key personnel focused on strain engineering, high throughput screening and analytics assay development who were recruited from well-known industrial biotech companies.

At our lab in Burnaby, British Columbia, we have been ramping up activity and transitioning our research program from University of British Columbia to a private research facility. The research laboratory in Burnaby focuses on correlating the physical characteristics of cannabis plant strains with their unique genomic underpinnings to enable the improvement of both plant and yeast strains, and also houses state-of-the-art molecular biology and analytical chemistry capabilities.

In addition to our in-house capabilities, we are also collaborating with a precision gene editing company and a fermentation research and development company to shorten our strain engineering cycle times, cost-effectively leverage the most cutting-edge third party tools available, and accelerate development of commercial strains and processes.

Director and Officer Appointments

Willow has brought together a highly regarded team with extensive experience and expertise to guide the Company towards commercialization of its consumer, wellness, and pharmaceutical grade ingredients.

Our industry leading science team has a proven track record in the industrial setting of previously developing a multi-step yeast-based biosynthesis production platform for an active pharmaceutical ingredient. The science team members have extensive experience and knowledge in molecular biology, plant biochemistry and plant genetics and are sought-after experts in their respective areas.

Our management team and board of directors have a demonstrated history of successful business operations, including start-up organizations, biotech companies and commercial manufacturing operations. The combination of extensive industry experience, comprehensive capital markets knowledge and strong leadership abilities position Willow well to successfully execute our business plan and support long-term value creation.

Full biographies of Willow's directors and officers can be found on our website at <https://www.willowbio.com/about-willow-biosciences/>

Management Team

Trevor Peters, President and Chief Executive Officer and Director
Dr. Joseph Tucker, Executive Chairman
Dr. Peter Facchini, Chief Scientific Officer
Travis Doupe, Chief Financial Officer
Jerry Ericsson, Vice President, Operations
Sanjib (Sony) Gill, Corporate Secretary
Dr. Jillian Hagel, Vice President, Applied Science
Dr. Chris Savile, Vice President, Commercial Operations
Dr. Mathias Schuetz, Vice President, Research and Development
Troy Talkkari, Vice President, Corporate Development

Board of Directors

Trevor Peters, President and Chief Executive Officer
Dr. Joseph Tucker, Executive Chairman
Donald Archibald, Director
Al Foreman, Director
Dr. Fotis Kalantzis, Director
Sadiq H. Lalani, Director
Dr. Peter Seufer-Wasserthal, Director

Business Development Update

On June 4, 2019, we entered into an exclusive JDA to collaboratively develop and commercialize a yeast-based production platform for the manufacturing and distribution of cannabidiol (CBD) with Noramco. Under the JDA, Willow is responsible for optimizing yeast strains in a biosynthetic process to produce ultrapure, high yield CBD. Given its existing expertise in the production of CBD and related compounds and its experience in delivering them for clinical and pharmaceutical applications, Noramco is responsible for scale-up, regulatory submission, marketing and distribution. The parties cover their respective costs, retain the intellectual property associated with their respective scopes of work and, as allowed by existing agreements, share equally in gross profits from sales of CBD manufactured under the JDA.

Financial Update

On April 12, 2019, Epimeron Inc. and BioCan Technologies Inc. completed the reverse takeover of Makena Resources Inc. to form "Willow Biosciences Inc." and, on April 15, 2019, the Company began trading under the name "Willow Biosciences Inc." and ticker symbol "WLLW" on the Canadian Stock Exchange.

On April 12, 2019, the Company also closed a non-brokered private placement for gross proceeds of \$29.2 million, including an investment of \$12.1 million by Tuatara, a sector-focused cannabis private equity firm, with the proceeds to be used to support the research, development, scale-up and commercial

launch of our biosynthetic pharmaceutical grade cannabinoid production program. On May 27, 2019, Tuatara exercised 9,219,390 Share purchase warrants, investing an additional \$8.1 million in Willow.

On May 17, 2019, Willow completed a consolidation of its issued and outstanding Shares on the basis of one new post-consolidation Share for every 25 pre-consolidation Shares. As of June 30, 2019, Willow had 78,286,743 Shares issued and outstanding.

Willow ended the quarter in a strong financial position, with \$29.6 million in working capital and \$28.8 million of cash on hand.

The Corporation's financial results are summarized as follows:

| | Three months ended June | | Six months ended June | |
|---------------------------|-------------------------|------------|-----------------------|------------|
| | 2019 | 30 2018 | 2019 | 30 2018 |
| Balance sheet (\$000's): | | | | |
| Cash and cash equivalents | 28,764 | 147 | 28,764 | 147 |
| Total assets | 42,016 | 266 | 42,016 | 266 |
| Shareholder's equity | 24,850 | (153) | 24,850 | (153) |
| Weighted average shares | | | | |
| Basic and diluted (000's) | 71,550 | 53,249 | 65,144 | 52,093 |

Outlook

Willow will continue to focus on developing and refining our yeast-based strains that biosynthesize CBD, optimizing our production levels and improving the performance of our processes. We expect to reach a scalable production level in the first half of 2020, triggering the initiation of Noramco's efforts to ramp up production, file regulatory submissions and develop marketing and distribution plans. The scaling up of production to commercial levels is expected to take 12 to 18 months, followed by regulatory approval for the manufacturing process and customer sampling during 2021, and first bulk commercial sales anticipated in late 2021 or early 2022.

Following our successful financings, Willow is well positioned to fund our operations to commercialization and expects to end 2020 with approximately \$10 to \$15 million of cash on hand.

Willow continues to evaluate strategic relationships with various entities in the consumer packaged goods and pharmaceutical industries. These partnerships will look to define our market participation and potentially gain entry into new global markets.

About Willow Biosciences Inc.

Willow is a Canadian biotechnology company based in Calgary, Alberta, that produces high purity, plant-derived compounds that provide building blocks for the global pharmaceutical, health and wellness, and consumer packaged goods industries. Willow's current focus is in the production of cannabinoids for the treatment for pain, anxiety, obesity, brain disorders, among other significant indications. Willow's science team has a proven track record of developing manufacturing technologies for high purity compounds in pain and cancer treatments. Willow's manufacturing process creates a consistent, scalable and sustainable product that allows for the discovery and development of new life changing drugs.

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Forward-Looking Statements

This news release may include forward-looking statements including opinions, assumptions, estimates, the Company's assessment of future plans and operations, and, more particularly, statements concerning: the business plan of the Company, including cannabinoid research and production at the facilities located in Alberta, British Columbia and California; the development of a yeast-based cannabinoid production platform, the scale-up and the timing thereof; improved productivity and yield; future commercialization and revenue; the performance of the science team, management and board; the strategic partnership with Noramco and other future strategic relationships; and the use of proceeds from the private placement and warrant exercises. When used in this document, 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 timing of the receipt of the required regulatory and third party approvals and the future operations the Company. 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 materially from those in the forward-looking statements including, but not limited to, risks associated with the cannabis industry in general, 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, import/export and research restrictions for cannabinoid-based operations, the size of the medical use and adult-use cannabis market, competition from other industry participants, adverse U.S., Canadian and global economic conditions, failure to comply with certain regulations, departure of key management personnel or inability to attract and retain talent regulatory and other factors more fully described from time to time in the reports and filings made by the Company with securities regulatory authorities. Except as required by applicable laws, the Company does not undertake any obligation to publicly update or revise any forward-looking statements.

This news release contains future-oriented financial information and financial outlook information (collectively, FOFI) about Willow's prospective results of operations, production and production efficiency, commercialization, revenue and cash on hand, all of which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraph. 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 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.

Neither the Canadian Securities Exchange nor the Market Regulator (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.