

November 5, 2015



# Oncolytics Biotech® Inc. Announces 2015 Third Quarter Results

CALGARY, Nov. 5, 2015 /PRNewswire/ - Oncolytics Biotech® Inc. (TSX:ONC, OTCQX:ONCY) ("Oncolytics" or the "Company") today announced its financial results and operational highlights for the third quarter ended September 30, 2015.

"During the quarter, we announced exciting initial clinical data from our multiple myeloma study showing statistically significant increases in the production of caspase-3 and upregulation of PD-L1 along with an early objective response rate of 100%," said Dr. Brad Thompson, President and CEO of Oncolytics. "We also announced one and two-year survival data versus historical controls from our pancreatic (REO 017) cancer trial. This data is very often suggestive of broader immune system involvement which led us to file a US Phase 1b study in pancreatic adenocarcinoma; the first to examine REOLYSIN® in combination with the checkpoint inhibitor KEYTRUDA®."

## Selected Highlights

Since July 1, 2015, selected highlights announced by the Company include:

### **Clinical Program**

- A poster presentation at the 15<sup>th</sup> International Myeloma Workshop titled "Combination Carfilzomib and the Viral Oncolytic Agent REOLYSIN® in Patients with Relapsed Multiple Myeloma: A Pilot Study Investigating Viral Proliferation," highlighting data including 100% of patients (8 of 8) experiencing an objective response as measured by changes in blood monoclonal protein and significant increases in the production of caspase-3 ( $p=0.005$ ) and upregulation of PD-L1 ( $p=0.005$ );
- An oral presentation at the International Association for the Study of Lung Cancer (IASLC) 16<sup>th</sup> World Conference on Lung Cancer titled "Oncolytic Reovirus in Combination with Paclitaxel/Carboplatin in NSCLC Patients with Ras Activated Malignancies, Long Term Results," covering updated results, including one- and two-year survival data, from the Company's REO 016 Phase 2 study in Non-Small Cell Lung Cancer (NSCLC);
- Presentation of final data from a single arm clinical study examining the use of REOLYSIN® in combination with gemcitabine in patients with advanced pancreatic cancer (REO 017), which showed an increase in median overall survival, as well as an approximate two-fold increase in one-year survival rates, and a five-fold increase in two-year survival rates when compared to gemcitabine therapy alone as seen in historical data;
- Completion of enrollment in two randomized Phase 2 studies sponsored and conducted by the NCIC Clinical Trials Group; IND 211 is a study of REOLYSIN® in combination

with chemotherapy in patients with previously treated advanced or metastatic non-small cell lung cancer and IND 209 is a study of REOLYSIN<sup>®</sup> in combination with chemotherapy in patients with recurrent or metastatic castration resistant prostate cancer;

- Subsequent to quarter end, confirmation that, following submission to the U.S. Food and Drug Administration ("FDA") for review, the Investigational New Drug Application containing the protocol titled "A Phase Ib study of pembrolizumab (KEYTRUDA<sup>®</sup>) in combination with REOLYSIN<sup>®</sup> (pelareorep) and chemotherapy in patients with advanced pancreatic adenocarcinoma", the Company's first trial examining REOLYSIN in combination with a checkpoint inhibitor, was active; and

## Financial

- At September 30, 2015 the Company reported \$30.0 million in cash, cash equivalents and short-term investments. At November 5, 2015, the Company had approximately \$28.7 million in cash, cash equivalents and short-term investments, which is expected to provide sufficient funds to support several small early-stage immunotherapy combination studies as well as both a run-in and a registration study in muscle invasive bladder cancer.

**ONCOLYTICS BIOTECH INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(unaudited)*

	<b>September 30,</b>	<b>December 31,</b>
	<b>2015</b>	<b>2014</b>
	<b>\$</b>	<b>\$</b>
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	<b>27,962,462</b>	14,152,825
Short-term investments	<b>2,060,977</b>	2,031,685

Accounts receivable	<b>53,040</b>	191,751
Prepaid expenses	<b>480,611</b>	291,553
<b>Total current assets</b>	<b>30,557,090</b>	16,667,814

**Non-current assets**

Property and equipment	<b>443,468</b>	525,376
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<b>Total non-current assets</b>	<b>443,468</b>	525,376
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<b>Total assets</b>	<b>31,000,558</b>	17,193,190
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***Liabilities And Shareholders' Equity***

**Current Liabilities**

Accounts payable and accrued liabilities	<b>3,276,279</b>	3,373,997
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<b>Total current liabilities</b>	<b>3,276,279</b>	3,373,997
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**Shareholders' equity**

Share capital

Authorized: unlimited

Issued:

September 30, 2015 – 117,981,672

December 31, 2014 - 93,512,494	<b>261,229,719</b>	237,657,056
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Contributed surplus	<b>26,029,865</b>	25,848,429
Accumulated other comprehensive income	<b>657,103</b>	280,043
Accumulated deficit	<b>(260,192,408)</b>	(249,966,335)
<b><i>Total shareholders' equity</i></b>	<b>27,724,279</b>	13,819,193
<b><i>Total liabilities and equity</i></b>	<b>31,000,558</b>	17,193,190

**ONCOLYTICS BIOTECH INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**  
*(unaudited)*

	<b>Three Month Period Ending September 30, 2015</b>	<b>Three Month Period Ending September 30, 2014</b>	<b>Nine Month Period Ending September 30, 2015</b>	<b>Nine Month Period Ending September 30, 2014</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
<b>Expenses</b>				
Research and development	<b>1,704,784</b>	3,571,939	<b>6,601,877</b>	11,305,328
Operating	<b>1,176,023</b>	1,105,274	<b>3,780,812</b>	3,706,343
<b><i>Operating loss</i></b>	<b>(2,880,807)</b>	(4,677,213)	<b>(10,382,689)</b>	(15,011,671)
Interest	<b>52,756</b>	39,937	<b>153,313</b>	178,177

<b>Loss before income taxes</b>	<b>(2,828,051)</b>	(4,637,276)	<b>(10,229,376)</b>	(14,833,494)
Income tax expense	<b>4,074</b>	668	<b>3,303</b>	(6,728)
<b>Net loss</b>	<b>(2,823,977)</b>	(4,636,608)	<b>(10,226,073)</b>	(14,840,222)
<b>Other comprehensive income items that may be reclassified to net loss</b>				
Translation adjustment	<b>192,586</b>	100,461	<b>377,060</b>	108,442
<b>Net comprehensive loss</b>	<b>(2,631,391)</b>	(4,536,147)	<b>(9,849,013)</b>	(14,731,780)
<b>Basic and diluted loss per common share</b>	<b>(0.02)</b>	(0.05)	<b>(0.09)</b>	(0.17)
<b>Weighted average number of shares (basic and diluted)</b>	<b>117,963,979</b>	88,592,863	<b>110,757,811</b>	86,786,937

**ONCOLYTICS BIOTECH INC.  
INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
(unaudited)**

Share	Contributed	Accumulated Other Warrants	Comprehensive	Accumulated	Total
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	Capital	Surplus		Income (Loss)		Deficit	
	\$	\$	\$	\$	\$	\$	\$
As at December 31, 2013	228,612,564	24,491,212	376,892	79,698	(231,347,000)	22,213,366	
Net loss and other comprehensive income	—	—	—	108,442	(14,840,222)	(14,731,780)	
Issued, pursuant to Share Purchase Agreement	6,427,899	—	—	—	—	6,427,899	
Expired warrants	—	376,892	(376,892)	—	—	—	
Share based compensation	—	870,423	—	—	—	870,423	
<b>As at September 30, 2014</b>	<b>235,040,463</b>	<b>25,738,527</b>	<b>—</b>	<b>188,140</b>	<b>(246,187,222)</b>	<b>14,779,908</b>	

	Share Capital	Contributed Surplus	Warrants	Accumulated Other Comprehensive Income	Accumulated Deficit	Total
	\$	\$	\$	\$	\$	\$

As at December 31, 2014	237,657,056	25,848,429	—	280,043	(249,966,335)	13,819,193
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Net loss and other comprehensive income	—	—	—	377,060	(10,226,073)	(9,849,013)
Issued, pursuant to Share Purchase Agreement	4,305,396	—	—	—	—	4,305,396
Issued, pursuant to "At the Market" Agreement	19,267,267	—	—	—	—	19,267,267
Share based compensation	—	181,436	—	—	—	181,436
<b>As at September 30, 2015</b>	<b>261,229,719</b>	<b>26,029,865</b>	<b>—</b>	<b>657,103</b>	<b>(260,192,408)</b>	<b>27,724,279</b>

**ONCOLYTICS BIOTECH INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(unaudited)*

<b>Three Month Period Ending September 30, 2015</b>	<b>Three Month Period Ending September 30, 2014</b>	<b>Nine Month Period Ending September 30, 2015</b>	<b>Nine Month Period Ending September 30, 2014</b>
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	\$	\$	\$	\$
<b>Operating Activities</b>				
Net loss for the period	<b>(2,823,977)</b>	(4,636,608)	<b>(10,226,073)</b>	(14,840,222)
Amortization - property and equipment	<b>44,761</b>	39,904	<b>134,743</b>	118,073
Share based compensation	<b>10,791</b>	199,821	<b>181,436</b>	870,423
Unrealized foreign exchange loss (gain)	<b>(182,131)</b>	243,290	<b>(485,653)</b>	193,301
Net change in non-cash working capital	<b>92,792</b>	(261,622)	<b>(327,690)</b>	(2,701,103)
<b>Cash used in operating activities</b>	<b>(2,857,764)</b>	(4,415,215)	<b>(10,723,237)</b>	(16,359,528)
<b>Investing Activities</b>				
Acquisition of property and equipment	<b>(17,695)</b>	(113,782)	<b>(47,292)</b>	(131,001)
Purchase of short-term investments	—	—	<b>(29,292)</b>	(30,041)
<b>Cash used in investing activities</b>	<b>(17,695)</b>	(113,782)	<b>(76,584)</b>	(161,042)
<b>Financing Activities</b>				
Proceeds from Share Purchase Agreement	—	2,736,749	<b>4,305,396</b>	6,427,899
Proceeds from "At the Market" equity distribution agreement	<b>213,742</b>	—	<b>19,267,267</b>	—
<b>Cash provided by financing activities</b>	<b>213,742</b>	2,736,749	<b>23,572,663</b>	6,427,899
<b>Increase in cash</b>	<b>(2,661,717)</b>	(1,792,248)	<b>12,772,842</b>	(10,092,671)



Cash and cash equivalents, beginning of period	<b>30,018,217</b>	16,880,730	<b>14,152,825</b>	25,220,328
Impact of foreign exchange on cash and cash equivalents	<b>605,962</b>	(75,514)	<b>1,036,795</b>	(114,689)
<b>Cash and cash equivalents, end of period</b>	<b>27,962,462</b>	15,012,968	<b>27,962,462</b>	15,012,968

To view the Company's Fiscal 2015 Third Quarter Consolidated Financial Statements, related Notes to the Consolidated Financial Statements, and Management's Discussion and Analysis, please see the Company's annual filings, which will be available on [www.sedar.com](http://www.sedar.com) and on [www.oncolyticsbiotech.com/for-investors/financials](http://www.oncolyticsbiotech.com/for-investors/financials).

#### **About Oncolytics Biotech Inc.**

Oncolytics is a Calgary-based biotechnology company focused on the development of oncolytic viruses as potential cancer therapeutics. Oncolytics' clinical program includes a variety of later-stage, randomized human trials in various indications using REOLYSIN<sup>®</sup>, its proprietary formulation of the human reovirus. For further information about Oncolytics, please visit: [www.oncolyticsbiotech.com](http://www.oncolyticsbiotech.com).

*This press release contains forward-looking statements, within the meaning of Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements, including the Company's belief as to the potential of REOLYSIN<sup>®</sup> as a cancer therapeutic; the Company's expectations as to the success of its research and development programs in 2015 and beyond, the Company's planned operations, the value of the additional patents and intellectual property; the Company's expectations related to the applications of the patented technology; the Company's expectations as to adequacy of its existing capital resources; the design, timing, success of planned clinical trial programs; and other statements related to anticipated developments in the Company's business and technologies involve known and unknown risks and uncertainties, which could cause the Company's actual results to differ materially from those in the forward-looking statements. Such risks and uncertainties include, among others, the availability of funds and resources to pursue research and development projects, the efficacy of REOLYSIN<sup>®</sup> as a cancer treatment, the success and timely completion of clinical studies and trials, the Company's ability to successfully commercialize REOLYSIN<sup>®</sup>, uncertainties related to the research and development of pharmaceuticals, uncertainties related to the regulatory process and general changes to the economic environment. Investors should consult the Company's quarterly and annual filings with the Canadian and U.S. securities commissions for additional information on risks and uncertainties relating to the forward-looking statements. Investors are cautioned against placing undue reliance on forward-looking statements. The Company does not undertake to update these forward-looking statements, except as required by applicable laws.*

SOURCE Oncolytics Biotech Inc.