

November 7, 2013



# Oncolytics Biotech® Inc. Announces Third Quarter 2013 Results

CALGARY, Nov. 7, 2013 /PRNewswire/ - Oncolytics Biotech Inc. (TSX:ONC, NASDAQ:ONCY) ("Oncolytics" or the "Company") today announced its financial results and operational highlights for the quarter ended September 30, 2013.

"In recent months we have reported positive data in our squamous cell and non-squamous cell lung clinical trials both in terms of tumour response and survival," said Dr. Brad Thompson, President and CEO of Oncolytics. "On the strength of this reported data, we intend to conduct randomized clinical studies in these indications that will further expand our lung cancer program."

## Selected Highlights

Since June 30, 2013, the Company has made a number of announcements including:

### **Clinical Trial Results**

- Reporting positive final results from a U.S. Phase 2 study examining the use of REOLYSIN® in combination with carboplatin and paclitaxel in patients with stage IV non-small cell lung cancer (NSCLC) with *Kras* or EGFR-activated tumors (REO 016). Response evaluation for 36 evaluable patients showed 11 partial responses (PR) (30%) (EGFR amplified, five; BRAF two; *Kras*, three; EGFR mutated, one), 21 stable disease (SD), and four progressive disease (PD). The data also correlated a number of molecular abnormalities with best response, progression free survival (PFS) and one-year survival. Current data in these patients demonstrates that 20 of 36 evaluable patients (56%) survived a year or more. There were 13 patients with only EGFR mutations or amplifications, of whom nine (69.2%) survived a year or longer. Four of four (100%) patients with BRAF and EGFR amplification survived a year or longer; and
- Reporting final tumour response and progression free survival ("PFS") data from a U.S. Phase 2 clinical trial in patients with squamous cell carcinoma of the lung (SCCLC) using intravenous administration of REOLYSIN® in combination with carboplatin and paclitaxel (REO 021). Of the 25 evaluable patients who had more than one cycle of therapy, 23 (92%) exhibited overall tumour shrinkage. When evaluated for best response, which is the best percentage response recorded on study compared to baseline, 10 patients (40%) had partial responses (PRs), while a further 14 (56%) showed stable disease (SD), and one (4%), had progressive disease (PD). Using RECIST criteria to evaluate best overall response, 10 patients (40%) had partial responses (PRs), 12 (48%) showed stable disease (SD) and three (12%), had progressive disease (PD). 31.8% of patients with sufficient follow up had a PFS

greater than six months.

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

|   | September 30,<br>2013<br>\$ | December 31,<br>2012<br>\$ |
|---|-----------------------------|----------------------------|
| <b>Assets</b>                               |                             |                            |
| <b>Current assets</b>                       |                             |                            |
| Cash and cash equivalents                   | 29,472,201                  | 19,323,541                 |
| Short-term investments                      | 2,001,644                   | 1,969,228                  |
| Accounts receivable                         | 35,402                      | 44,979                     |
| Prepaid expenses                            | 471,318                     | 331,094                    |
| <b>Total current assets</b>                 | <b>31,980,565</b>           | <b>21,668,842</b>          |
| <b>Non-current assets</b>                   |                             |                            |
| Property and equipment                      | 568,711                     | 409,248                    |
| <b>Total non-current assets</b>             | <b>568,711</b>              | <b>409,248</b>             |
| <b>Total assets</b>                         | <b>32,549,276</b>           | <b>22,078,090</b>          |
| <b>Liabilities And Shareholders' Equity</b> |                             |                            |
| <b>Current Liabilities</b>                  |                             |                            |
| Accounts payable and accrued liabilities    | 4,913,395                   | 7,291,310                  |
| <b>Total current liabilities</b>            | <b>4,913,395</b>            | <b>7,291,310</b>           |
| <b>Shareholders' equity</b>                 |                             |                            |
| Share capital                               |                             |                            |
| Authorized: unlimited                       |                             |                            |
| Issued:                                     |                             |                            |
| September 30, 2013 - 84,758,818             |                             |                            |
| December 31, 2012 - 76,710,285              | 228,513,564                 | 198,155,091                |
| Warrants                                    | 376,892                     | 376,892                    |
| Contributed surplus                         | 24,282,934                  | 24,126,265                 |
| Accumulated other comprehensive loss        | 17,011                      | (57,115)                   |
| Accumulated deficit                         | (225,554,520)               | (207,814,353)              |
| <b>Total shareholders' equity</b>           | <b>27,635,881</b>           | <b>14,786,780</b>          |
| <b>Total liabilities and equity</b>         | <b>32,549,276</b>           | <b>22,078,090</b>          |

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

|  | Three Month<br>Period Ending<br>September 30,<br>2013<br>\$ | Three Month<br>Period Ending<br>September 30,<br>2012<br>\$ | Nine Month<br>Period Ending<br>September 30,<br>2013<br>\$ | Nine Month<br>Period Ending<br>September 30,<br>2012<br>\$ |
|--|---|---|--|--|
| <b>Expenses</b>  |   |   |  |  |
| Research and development   | 5,001,972   | 8,129,328   | 13,923,323   | 24,673,201   |
| Operating  | 1,222,157   | 1,175,227   | 4,107,650  | 3,485,368  |
| <b>Operating loss</b>  | <b>(6,224,129)</b>  | <b>(9,304,555)</b>  | <b>(18,030,973)</b>  | <b>(28,158,569)</b>  |
| Interest   | 110,479   | 74,053  | 290,806  | 287,509  |
| <b>Loss before income taxes</b>  | <b>(6,113,650)</b>  | <b>(9,230,502)</b>  | <b>(17,740,167)</b>  | <b>(27,871,060)</b>  |
| Income tax expense   | —   | (13,400)  | —  | (10,172)   |
| <b>Net loss</b>  | <b>(6,113,650)</b>  | <b>(9,243,902)</b>  | <b>(17,740,167)</b>  | <b>(27,881,232)</b>  |
| <b>Other comprehensive income items that may be reclassified to net loss</b> |   |   |  |  |
| Translation adjustment   | (33,513)  | (47,462)  | 74,126   | 34,479   |
| <b>Net comprehensive loss</b>  | <b>(6,147,163)</b>  | <b>(9,291,364)</b>  | <b>(17,666,041)</b>  | <b>(27,846,753)</b>  |
| <b>Basic and diluted loss per common share</b>                               | <b>(0.07)</b>   | <b>(0.12)</b>   | <b>(0.21)</b>  | <b>(0.37)</b>  |
| <b>Weighted average number of shares (basic and diluted)</b>                 | <b>84,758,818</b>   | <b>76,607,281</b>   | <b>83,112,919</b>  | <b>75,903,566</b>  |

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

| Share Capital | Contributed Surplus | Warrants | Accumulated Other Comprehensive Loss | Accumulated Deficit | Total |
|---------------|---------------------|----------|--------------------------------------|---------------------|-------|
| \$            | \$                  | \$       | \$                                   | \$                  | \$    |
|               |                     |          |                                      |                     |       |

|  |             |            |           |           |               |        |
|--|-------------|------------|-----------|-----------|---------------|--------|
| As at<br>December 31,<br>2011                        | 177,282,566 | 21,142,519 | 2,653,627 | (117,501) | (171,440,832) | 29,52  |
| Net loss and<br>comprehensive<br>loss                | —           | —          | —         | 34,479    | (27,881,232)  | (27,84 |
| Issued,<br>pursuant to a<br>bought deal<br>financing | 19,386,903  | —          | 376,892   | —         | —             | 19,76  |
| Exercise of<br>stock options                         | 1,380,139   | (392,920)  | —         | —         | —             | 98     |
| Share based<br>compensation                          | —           | (49,489)   | —         | —         | —             | (4     |
| As at<br>September 30,<br>2012                       | 198,049,608 | 20,700,110 | 3,030,519 | (83,022)  | (199,322,064) | 22,37  |

|  | <b>Share<br/>Capital</b> | <b>Contributed<br/>Surplus</b> | <b>Warrants</b> | <b>Accumulated<br/>Other<br/>Comprehensive<br/>Loss</b> | <b>Accumulated<br/>Deficit</b> | <b>Total</b> |
|--|--------------------------|--------------------------------|-----------------|---|--------------------------------|--------------|
|  | <b>\$</b>                | <b>\$</b>                      | <b>\$</b>       | <b>\$</b>   | <b>\$</b>                      | <b>\$</b>    |
| As at<br>December 31,<br>2012                        | 198,155,091              | 24,126,265                     | 376,892         | (57,115)  | (207,814,353)                  | 14,78        |
| Net loss and<br>comprehensive<br>loss                | —                        | —                              | —               | 74,126  | (17,740,167)                   | (17,66       |
| Issued,<br>pursuant to a<br>bought deal<br>financing | 30,218,797               | —                              | —               | —   | —                              | 30,21        |
| Exercise of<br>stock options                         | 139,676                  | (34,687)                       | —               | —   | —                              | 10           |
| Share based<br>compensation                          | —                        | 191,356                        | —               | —   | —                              | 19           |
| <b>As at<br/>September<br/>30, 2013</b>              | <b>228,513,564</b>       | <b>24,282,934</b>              | <b>376,892</b>  | <b>17,011</b>   | <b>(225,554,520)</b>           | <b>27,63</b> |

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

|  | Three Month<br>Three Month Period<br>Ending September 30,<br>2013<br>\$ | Three Month<br>Period Ending<br>September 30,<br>2012<br>\$ | Three Month<br>Nine Month Period<br>Ending September<br>30, 2013<br>\$ | Three Month<br>Nine Month Period<br>Ending Septemb<br>30, 2012<br>\$ |
|--|---|---|--|--|
| <b>Operating Activities</b>              |   |   |  |  |
| Net loss for the period                  | (6,113,650)   | (9,243,902)   | (17,740,167)   | (27,881,232)   |
| Amortization - property and equipment    | 41,205  | 26,422  | 91,351   | 83,999   |
| Share based compensation                 | (59,497)  | (121,685)   | 191,356  | (49,489)   |
| Unrealized foreign exchange loss (gain)  | 34,179  | 983   | (63,670)   | 17,149   |
| Net change in non-cash working capital   | (412,109)   | 1,514,620   | (2,508,562)  | 301,109  |
| <b>Cash used in operating activities</b> | <b>(6,509,872)</b>  | <b>(7,823,562)</b>  | <b>(20,029,692)</b>  | <b>(27,528,475)</b>  |
| <b>Investing Activities</b>              |   |   |  |  |
| Acquisition of property and equipment    | (103,512)   | (25,238)  | (250,814)  | (118,865)  |
| Purchase of short-term investments       | —   | —   | (32,416)   | (32,441)   |
| <b>Cash used in investing activities</b> | <b>(103,512)</b>  | <b>(25,238)</b>   | <b>(283,230)</b>   | <b>(151,306)</b>   |
| <b>Financing Activities</b>              |   |   |  |  |

|   |                    |             |                   |            |
|---|--------------------|-------------|-------------------|------------|
| Proceeds from exercise of stock options and warrants    | —                  | 101,750     | <b>104,989</b>    | 987,21     |
| Proceeds from public offering                           | —                  | —           | <b>30,218,797</b> | 19,763,79  |
| <b>Cash provided by financing activities</b>            | —                  | 101,750     | <b>30,323,786</b> | 20,751,01  |
| <b>Increase in cash</b>                                 | <b>(6,613,384)</b> | (7,747,050) | <b>10,010,864</b> | (6,928,767 |
| Cash and cash equivalents, beginning of period          | <b>36,153,277</b>  | 33,802,813  | <b>19,323,541</b> | 32,918,75  |
| Impact of foreign exchange on cash and cash equivalents | <b>(67,692)</b>    | (48,445)    | <b>137,796</b>    | 17,33      |
| <b>Cash and cash equivalents, end of period</b>         | <b>29,472,201</b>  | 26,007,318  | <b>29,472,201</b> | 26,007,31  |

**To view the Company's Fiscal 2013 Third Quarter Consolidated Financial Statements, related Notes to Consolidated Financial Statements, and Management's Discussion and Analysis, please see the Company's quarterly filings which will be available on [www.sedar.com](http://www.sedar.com) and on [www.oncolyticsbiotech.com/financials](http://www.oncolyticsbiotech.com/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 human trials including a Phase III trial in head and neck cancers using REOLYSIN, 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 as a cancer therapeutic; the*

*Company's expectations as to the success of its research and development programs in 2013 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 as a cancer treatment, the success and timely completion of clinical studies and trials, the Company's ability to successfully commercialize REOLYSIN, 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.*

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