



**First Quarter Report**  
March 31, 2021



**MANAGEMENT DISCUSSION & ANALYSIS**

**March 31, 2021**

May 6, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This discussion and analysis should be read in conjunction with the unaudited interim consolidated financial statements of Oncolytics Biotech<sup>®</sup> Inc. as at and for the three months ended March 31, 2021 and 2020, and should also be read in conjunction with the audited consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") contained in our annual report for the year ended December 31, 2020. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Unless otherwise indicated, all references to "\$" and "dollars" in this discussion and analysis mean Canadian dollars.

### FORWARD-LOOKING STATEMENTS

The following discussion contains forward-looking statements, within the meaning of Section 21E of the United States Securities Exchange Act of 1934, as amended and forward-looking information under applicable Canadian securities laws (such forward-looking statements and forward-looking information are collectively referred to herein as "forward-looking statements"). Forward-looking statements, including: our belief as to the potential and mode of action of pelareorep, an intravenously delivered immuno-oncolytic virus, as a cancer therapeutic; our expectation that we will incur substantial losses and will not generate significant revenues until and unless pelareorep becomes commercially viable; our business strategy, goals, focus and objectives for the development of pelareorep; the impact of the COVID-19 pandemic on our research and development activities, business operations and financial condition, our plans to mitigate any such impact; the potential impact of the COVID-19 pandemic on stock markets and global economic activity; our plan to actively manage the development of our clinical trial program, our pre-clinical and collaborative programs, our manufacturing process and pelareorep supply; our plans respecting regulatory approval for pelareorep; our planned clinical development program, including the timing thereof; our expectations regarding the anticipated benefits and value to us of additional clinical data; our expectations as to the purpose, design, outcomes and benefits of our current or pending clinical trials involving pelareorep; our expectations regarding enrollment under our various clinical trials; our expectations respecting the delivery of additional clinical data and the timing thereof; our anticipated milestones and catalysts; our planned 2021 development activity for pelareorep; our 2021 manufacturing program; our anticipated 2021 cash requirements to fund our operations; our anticipated 2021 expenses relating to clinical trials, manufacturing, intellectual property, research collaborations and other research and development and operating expenses; our plans respecting the maintenance of adequate cash reserves to support our planned activities; our anticipated cash usage in 2021; our plans for funding our capital expenditure requirements; our approach to credit rate, interest rate, foreign exchange and liquidity risk mitigation; and other statements that are not historical facts or which are related to anticipated developments in our business and technologies. In any forward-looking statement in which we express an expectation or belief as to future results, such expectations or beliefs are expressed in good faith and are believed to have a reasonable basis, but there can be no assurance that the statement or expectation or belief will be achieved. Forward-looking statements, involve known and unknown risks and uncertainties, which could cause our actual results to differ materially from those in the forward-looking statements. We may be impacted by business interruptions resulting from COVID-19 coronavirus, including operating, manufacturing supply chain, clinical trial and project development delays and disruptions, labor shortages, travel and shipping disruption and shutdowns (including as a result of government regulation and prevention measures). It is unknown whether and how the Company may be affected if the COVID-19 pandemic persists for an extended period of time. We may incur expenses or delays relating to such events outside of our control, which could have a material adverse impact on our business, operating results and financial condition.

Such risks and uncertainties include, among others, the need for and availability of funds and resources to pursue research and development projects, the efficacy of pelareorep as a cancer treatment, the success and timely completion of clinical studies and trials, our ability to successfully commercialize pelareorep, uncertainties related to the research, development and manufacturing of pelareorep, uncertainties related to competition, changes in technology, the regulatory process and general changes to the economic environment.

With respect to the forward-looking statements made within this MD&A, we have made numerous assumptions regarding among other things: our ability to recruit and retain talented employees, our continued ability to obtain financing to fund our clinical development plan, our ability to receive regulatory approval to commence enrollment in the clinical studies which are part of our clinical development plan, our ability to maintain our supply of pelareorep and future expense levels being within our current expectations.

Investors should consult our 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. Forward-looking statements are based on assumptions, projections, estimates, and expectations of management at the time such forward-looking statements are made, and such assumptions, projections, estimates and/or expectations could change or prove to be incorrect or inaccurate. Investors are cautioned against placing undue reliance on forward-looking statements. We do not undertake any obligation to update these forward-looking statements except as required by applicable law.

## **Pelareorep Development Update For 2021**

### **Oncolytics Biotech Inc. is a Development Stage Company**

Since our inception in April of 1998, Oncolytics Biotech Inc. has been a development stage company. We have focused our research and development efforts on the development of pelareorep, an intravenously delivered immuno-oncolytic virus (IOV) with the potential to treat a variety of cancers. We have not been profitable since our inception and expect to continue to incur substantial losses as we continue research and development efforts. We do not expect to generate significant revenues until, and unless, pelareorep becomes commercially viable.

Our goal each year is to advance pelareorep through the various steps and stages of development required for potential pharmaceutical products. In order to achieve this goal, we proactively manage all aspects of the development of our clinical trial program, our pre-clinical and collaborative programs, our manufacturing process and pelareorep supply, and our intellectual property.

### **Potential Impact of COVID-19**

During the first three months of 2021, the ongoing coronavirus infectious disease 2019 (COVID-19) pandemic did not cause a significant disruption to our business operations. Clinical trial activities by Oncolytics, including patient enrollment and site activation, were not materially delayed due to COVID-19. To date, COVID-19 has not had a material impact on our financial condition, liquidity or longer-term strategic development. However, the global outbreak of COVID-19 has caused and may continue to cause significant fluctuations in stock markets, global economic activity and healthcare systems. The scale and duration of these developments remain uncertain and could affect our ability to finance and execute our operations.

The extent to which COVID-19 may cause more significant disruptions to our business and greater impacts to our results of operations will depend on future developments, which are highly uncertain and cannot be predicted, such as the duration of the outbreak (including future potential waves or cycles), travel restrictions and social distancing, business closures or business disruptions and the effectiveness of actions taken to contain and treat the disease and to address its impact, including on financial markets.

We continue to collaborate with our investigators to ensure the safety of patients and employees, as well as the productivity of our clinical programs. We expect these measures will allow us to build on the positive momentum of 2020, despite any COVID-19-related challenges that may arise. Moving forward, we plan to remain in contact with relevant stakeholders and keep the market apprised of any new information that may materially impact clinical timelines.

### **Clinical Trial Program**

The ultimate objective of our clinical development plan is to obtain regulatory approval for pelareorep and is based on the compelling efficacy data from previous studies in breast, multiple myeloma, and selected gastrointestinal cancers. Our current clinical development program centers on the role of pelareorep in immuno-oncology mechanisms, particularly in combination with key immune checkpoint inhibitors and potentially other immune-based therapies. Our primary focus is to demonstrate enhanced antitumor efficacy with checkpoint inhibitors, as we believe this may be the most immediately impactful clinical data and the most expeditious path to approval.

We believe pelareorep has the potential to provoke specific innate and adaptive immune responses when combined with different classes of immunotherapies. Therefore, as our clinical development program evolves and delivers additional data, we will consider appropriate expansion of our plan to investigate potential opportunities with such immunotherapies.

## ***First Quarter 2021 Developments***

### **Clinical studies aiding our breast cancer program**

#### ***Collaboration with Pfizer Inc. and Merck KGaA, Darmstadt, Germany: BRACELET-1 study***

In 2019, we entered into a co-development agreement with Merck KGaA, Darmstadt, Germany and Pfizer Inc. to co-develop pelareorep in combination with paclitaxel and avelumab, a human anti-PD-L1 antibody, for the treatment of hormone receptor-positive / human epidermal growth factor 2-negative (HR+ / HER2-) metastatic breast cancer (mBC). This phase 2 clinical trial is jointly funded by Oncolytics and Pfizer. The study, known as BRACELET-1, is an open-label study planned to enroll 48 patients into three cohorts: paclitaxel alone, paclitaxel in combination with pelareorep, and paclitaxel in combination with both pelareorep and avelumab (Bavencio®). PrECOG LLC, a leading cancer research network, is managing the BRACELET-1 study. We dosed the first patient in 2020.

The study is examining the expression of immune-related biomarkers to identify changes in T cell population between pretreatment and on-therapy biopsies and seek to confirm our previously identified biomarker and is designed to assess efficacy in terms of overall response rate at week 16 per RECIST 1.1 and iRECIST. The safety of the combination is also being evaluated. Similar to the AWARE-1 study (see below), the results of this study may provide an opportunity to add an arm to our proposed registration study that includes a checkpoint inhibitor in addition to the chemotherapy-virus combination. Furthermore, the results of the BRACELET-1 study may provide important confirmatory data in the same patient population where we presented compelling mBC survival data at the 2017 AACR Annual Meeting. These endpoints, including the biomarker data, are expected to further de-risk our contemplated registration study, permitting for a smaller study with a higher likelihood of clinical success.

In the first quarter of 2021, we continued patient enrollment and treatment and study initiating activities including selecting and readying additional clinical trial sites.

#### ***Collaboration with SOLTI: AWARE-1 study***

In February 2019, we received approval for our AWARE-1 study from the Spanish Agency for Medicine and Health Products. This clinical collaboration with SOLTI, an academic research group dedicated to breast cancer research, is a window of opportunity study in the neoadjuvant setting for breast cancer using pelareorep in combination with F. Hoffmann-La Roche (Roche)'s anti-PD-L1 checkpoint inhibitor, atezolizumab (Tecentriq®), which we are utilizing under our Master Clinical Supply Agreement with Roche. In 2020, we published various clinical data demonstrating the ability of pelareorep to promote a pro-inflammatory tumor microenvironment (TME) and provided a basis for the findings of a prior successful phase 2 trial (IND-213) that showed a near doubling of overall survival with pelareorep treatment in HR+/HER2- breast cancer patients. These data also highlighted the potential of a predictive biomarker (T cell clonality) to identify patients with breast cancer most likely to respond to pelareorep.

In the first quarter of 2021, we continued performing patient data analysis including the calculation of CeTIL scores (the study's primary endpoint). In April 2021, we published the results from the first two patient cohorts (see "*Post Q1 2021 Development*" below).

### **Additional checkpoint inhibitor combinations**

#### ***Triple-negative breast cancer study combining pelareorep and retifanlimab***

In the first quarter of 2021, we continued with patient enrollment and treatment in our investigator-sponsored trial (IST) managed by Rutgers Cancer Institute of New Jersey. This single-arm, open-label, phase 2 trial, known as IRENE, is investigating the use of pelareorep in combination with Incyte's anti-PD-1 checkpoint inhibitor, retifanlimab, in patients with metastatic triple-negative breast cancer (TNBC). This study plans to enroll 25 patients.

The IRENE study represents an expansion of our lead breast cancer program into a new disease subtype (TNBC). In addition to investigating the safety and efficacy of pelareorep-anti-PD-1 combination treatment in TNBC patients, the study is also evaluating changes in PD-L1 expression and correlations between treatment outcomes and peripheral T cell clonality, a previously identified biomarker of pelareorep response that may enable the success of future pivotal studies by facilitating the patient selection process.

#### ***Collaboration with Roche and AIO-Studien-gGmbH: GOBLET platform study***

In 2020, we entered into a collaboration with Roche and AIO-Studien-gGmbH, a leading academic cooperative medical oncology group based in Germany. The phase 1/2 trial, known as GOBLET, will investigate the use of pelareorep, in

combination with Roche's anti-PD-L1 checkpoint inhibitor atezolizumab (Tecentriq®), in patients with metastatic pancreatic, metastatic colorectal and advanced anal cancers. The study is expected to be conducted at 25 centers in Germany. The primary endpoint of the study is safety, with overall response rate and blood-based biomarkers (T cell clonality and CEACAM6) as exploratory endpoints. Approximately 55 patients are planned for enrollment across four separate cohorts: pelareorep in combination with atezolizumab, gemcitabine, and nab-paclitaxel in 1st line metastatic pancreatic cancer patients, pelareorep in combination with atezolizumab in 2nd and 3rd line metastatic colorectal cancer patients that are diagnosed as MSI high (microsatellite instability), pelareorep in combination with atezolizumab and TAS-102 in 3rd line metastatic colorectal cancer patients, and pelareorep in combination with atezolizumab in 2nd line advanced and unresectable anal cancer patients.

In the first quarter of 2021, we continued with initial regulatory activities seeking approval to commence enrollment from the German federal agency, The Paul Ehrlich Institute, along with startup activities.

#### ***Pancreatic cancer study combining pelareorep and Keytruda®***

In the first quarter of 2021, we continued patient follow-up in our IST supported by Merck Inc. (Merck), Northwestern University and Oncolytics. This study, an extension of our phase 1 study (REO 024), is investigating pelareorep in combination with Merck's anti-PD1 checkpoint inhibitor Keytruda®, to treat second-line pancreatic cancer patients.

#### ***Multiple myeloma study combining pelareorep and Opdivo®***

In the first quarter of 2021, we continued patient enrollment and treatment in addition to patient sample analysis in our IST with Emory University and the University of Utah investigating the combination of pelareorep and Bristol-Myers Squibb's anti-PD1 checkpoint inhibitor Opdivo® in 40 - 50 relapsed or refractory myeloma patients.

### ***CAR T Preclinical Data***

In February 2021, at the CAR-TCR Summit Europe 2021, we published an electronic poster (ePoster), in collaboration with investigators at the Mayo Clinic, with data from a preclinical study evaluating pelareorep and chimeric antigen receptor (CAR) T cell combination therapy in solid tumors. The results show that loading CAR T cells with pelareorep vastly improved their persistence and efficacy in a murine solid tumor model, in stark contrast to preclinical studies using intratumoral infection with the VSV oncolytic virus that weakened CAR T cells. Efficacy of pelareorep-loaded CAR T cell therapy was further enhanced by boosting mice eight days later with a single intravenous dose of pelareorep, generating highly persistent CAR T cells, inhibition of recurrent tumor growth, and ultimately tumor cures.

### ***Post Q1 2021 Developments***

#### ***AWARE-1 Primary End Point Data***

In April 2021, we published an ePoster at the AACR Annual Meeting 2021 with new clinical data from the AWARE-1 study showing patients receiving pelareorep plus checkpoint blockade therapy met the trial's primary endpoint. These patients were treated with pelareorep and letrozole without (cohort 1) or with (cohort 2) the PD-L1 inhibitor atezolizumab (Tecentriq®) prior to surgery. Evaluation of cohorts 1 and 2 was the core objective of AWARE-1, as HR+/HER2- is the breast cancer subtype we intend to examine in a future registrational study. Key data and conclusions included:

- 60% of cohort 2 patients (n=10) saw a CelTIL increase of at least 30% from baseline (pre-pelareorep administration) to surgery (21-days post-administration), exceeding the study's pre-specified success criteria;
- Treatment with pelareorep alone or in combination with atezolizumab increased tumor PD-L1 expression and led to the conversion of PD-L1 negative tumors into PD-L1 positive tumors;
- Pelareorep profoundly reverses immunosuppressive tumor microenvironments and promotes immune effector cell infiltration into solid tumors, positioning it as an enabling technology for a variety of immunotherapeutic agents;
- Tumor-cell specific pelareorep replication was observed in all evaluated patients following intravenous pelareorep administration;
- 70% of all cohort 1 and 2 patients (n=20) saw an increase in CelTIL from baseline to surgery;
- The addition of atezolizumab enhances pelareorep's ability to generate and expand new anti-viral and anti-tumor T cell clones in the tumor and periphery; and
- Compared to cohort 1, cohort 2 patients had a higher ratio of CD8+ T cells to regulatory T cells, suggesting pelareorep and checkpoint inhibition enhances inflammation within the tumor microenvironment.

## **Manufacturing and Process Development**

During the first quarter of 2021, we continued distribution and storage activities with the product supply, completed drug product release testing related to a product fill completed at the end of 2020 and performed testing as part of an ongoing stability program. As well, we continued our activities to maintain clinical and commercial production capabilities to manufacture pelareorep at the 100-liter scale. Ongoing bulk manufacturing and expanded filling capabilities are both part of the process validation master plan. Process validation is required to ensure that the resulting product meets required specifications and quality standards and will form part of our submission to regulators, including the FDA, for product approval.

## **Intellectual Property**

At the end of the first quarter of 2021, we had been issued over 378 patents including 40 US and 17 Canadian patents as well as issuances in other jurisdictions. We have an extensive patent portfolio covering the oncolytic reovirus that we use in our clinical trial program including a composition of matter patent that expires in 2028. Our patent portfolio also includes methods for treating proliferative disorders using modified adenovirus, HSV, parapoxvirus and vaccinia virus.

## **Financing Activity**

### ***U.S. "at-the-market" equity distribution***

During the three-month period ending March 31, 2021, we sold 6,313,219 common shares for gross proceeds of US\$20,440,251 at an average price of US\$3.24. We received, net of commissions of US\$613,208, proceeds of US\$19,827,043. In total, we incurred share issue costs (including commissions) of \$974,247.

### ***Warrant exercise***

During the three-month period ending March 31, 2021, 201,722 warrants in connection with our August 2019 underwritten public offering were exercised for gross proceeds of US\$181,550.

## **Financial Impact**

We estimated at the beginning of the first quarter of 2021 that our cash requirements to fund our operations for the year will be between \$28 - \$30 million. Our actual cash usage for the three-month period ending March 31, 2021 was \$5,568,457 for operating activities, nil for the acquisition of property and equipment and \$111,673 for the payment of office leases. Our net loss for the period was \$6,434,745, which included a non-cash change in fair value of warrant derivative loss of \$164,780 and a foreign exchange loss of \$390,554 primarily due to unrealized translation loss on U.S. dollar denominated cash balances.

## **Cash Resources**

We ended the first quarter of 2021 with cash and cash equivalents totaling \$50,362,162 (see “*Liquidity and Capital Resources*”).

## **Subsequent Events**

Between April 1, 2021 and May 6, 2021, through our March 2021 ATM equity distribution agreement, we issued 1,817,621 common shares for gross proceeds of US\$5,870,301 at an average price of US\$3.23. We received, net of commissions of US\$176,109, proceeds of US\$5,694,191.

## **Pelareorep Development for the Remainder of 2021**

Our planned 2021 development activity for pelareorep focuses on our clinical development plan along with our manufacturing and intellectual property programs. Our primary 2021 clinical objectives will focus on BRACELET-1 enrollment, the commencement of enrollment in our GOBLET platform study and the assessment of our clinical data to help form the nature of our registration strategy, our path to approval and possible other clinical development opportunities. While we are making every effort to maintain the timing of our future milestones, the full impact of the COVID-19 pandemic on these milestones is not known. Patient safety is our foremost concern and we will provide updates as they become known.

Our 2021 manufacturing program includes product fills and the associated analytical testing, process development activities as well as labeling, packaging and shipping of pelareorep to our various clinical sites for ongoing and upcoming activities. We also intend to assess a process development plan investigating application of single-use equipment to our drug substance production process. These activities are consistent with our process validation master plan. Finally, our intellectual property program includes filings for additional patents along with monitoring activities required to protect our patent portfolio.

We currently estimate the cash requirements to fund our operations for 2021 will be approximately \$28 - \$30 million but will depend on our ultimate clinical program. (see “*Liquidity and Capital Resources*”).



## Results of Operations

(for the three-month period ending March 31, 2021 and 2020)

Net loss for the three-month period ending March 31, 2021 was \$6,434,745 compared to net income of \$399,662 for the three-month period ending March 31, 2020. Net loss for the three-month period ended March 31, 2021 included a non-cash change in fair value of warrant derivative loss of \$164,780 (March 31, 2020 - gain of \$4,151,982) and a foreign exchange loss of \$390,554 (March 31, 2020 - gain of \$1,704,805).

### Research and Development Expenses (“R&D”)

	2021 \$	2020 \$
Clinical trial expenses	765,632	638,512
Manufacturing and related process development expenses	377,949	466,977
Intellectual property expenditures	277,426	426,159
Research collaboration expenses	51,202	43,187
Other R&D expenses	925,202	849,364
Share-based payments	361,603	105,447
Research and development expenses	2,759,014	2,529,646

### Clinical Trial Program

	2021 \$	2020 \$
Clinical trial expenses	765,632	638,512

Our clinical trial expenses were \$765,632 for the three-month period ending March 31, 2021 compared to \$638,512 for the three-month period ending March 31, 2020. During the three-month period ending March 31, 2021, activities related to our breast cancer program included our portion (net of Pfizer's contribution) of patient enrollment and treatment for our BRACELET-1 study as well as patient sample analysis for our AWARE-1 study. During the three-month period ending March 31, 2020, activities related to our breast cancer program included continued patient enrollment and treatment for our AWARE-1 study, our portion (net of Pfizer's contribution) of trial initiation activities related to the BRACELET-1 study as well as key opinion leader activities

During the three-month period ending March 31, 2021, in addition to activities related to our breast cancer program, we also incurred trial initiation costs related to our GOBLET study, costs related to our ongoing ISTs and data management consulting costs. During the three-month period ending March 31, 2020, our other clinical activities included close out costs related to our legacy clinical trials and consulting costs related to data management.

We still expect our clinical trial expenses to increase in 2021 compared to 2020. During 2021, we will focus on BRACELET-1 enrollment, the commencement of enrollment in our GOBLET platform study and the assessment of our clinical data to help form the nature of our registration strategy, our path to approval and possible other clinical development opportunities.

### Manufacturing & Related Process Development (“M&P”)

	2021 \$	2020 \$
Product manufacturing expenses	324,928	435,860
Process development expenses	53,021	31,117
Manufacturing and related process development expenses	377,949	466,977

Our M&P expenses for the three-month period ending March 31, 2021 were \$377,949 compared to \$466,977 for the three-month period ending March 31, 2020. During the three-month period ending March 31, 2021, our product manufacturing costs

primarily related to shipping and storage costs of our bulk and vial product as well as drug product release testing related to a product fill completed at the end of 2020. During the three-month period ending March 31, 2020, our product manufacturing costs primarily related to a product fill and the associated consulting and testing expenses, as well as shipping and storage costs of our bulk and vial product.

Our process development expenses for the three-month period ending March 31, 2021 were \$53,021 compared to \$31,117 for the three-month period ending March 31, 2020. During the three-month period ending March 31, 2021, our process development activities focused on stability studies and analytical development. During the three-month period ending March 31, 2020, our process development activities focused on analytical development studies.

We still expect our M&P expenses for 2021 to increase compared to 2020. For the remainder of 2021, we expect to fill products and perform the associated analytical testing, carry out process development activities as well as labeling, packaging and shipping of pelareorep to our various clinical sites for ongoing and upcoming activities. We also intend to assess a process development plan investigating application of single-use equipment to our drug substance production process. These activities are consistent with our process validation master plan.

### Intellectual Property Expenses

	2021 \$	2020 \$
Intellectual property expenses	277,426	426,159

Our intellectual property expenses for the three-month period ending March 31, 2021 were \$277,426 compared to \$426,159 for the three-month period ending March 31, 2020. The change in intellectual property expenditures reflects the timing of filing costs associated with our patent base. At the end of the three-month period ending March 31, 2021, we had been issued over 378 patents including 40 U.S. and 17 Canadian patents, as well as issuances in other jurisdictions.

We still expect our intellectual property expenses will remain consistent in 2021 compared to 2020.

### Research Collaborations

	2021 \$	2020 \$
Research collaborations	51,202	43,187

Our research collaboration expenses for the three-month period ending March 31, 2021 were \$51,202 compared to \$43,187 for the three-month period ending March 31, 2020. During the three-month periods ending March 31, 2021 and 2020, our research collaborations included studies investigating the interaction of the immune system and pelareorep.

We still expect that our research collaborations in 2021 will increase compared to 2020. We expect to complete our ongoing collaborative program carried over from 2020 and will continue to be selective in the types of new collaborations we enter into in 2021.

### Other Research and Development Expenses

	2021 \$	2020 \$
R&D personnel related expenses	918,180	789,858
Other R&D expenses	7,022	59,506
Other Research and Development expenses	925,202	849,364

Our Other Research and Development expenses for the three-month period ending March 31, 2021 were \$925,202 compared to \$849,364 for the three-month period ending March 31, 2020. The change in R&D personnel related expenses for the three-month period ending March 31, 2021 compared to the three-month period ending March 31, 2020 was due to salary adjustments and an increase in headcount as we look to expand our U.S. office, partly offset by recruitment related costs incurred in 2020.

The change in Other R&D expenses for the three-month period ending March 31, 2021 compared to the three-month period ending March 31, 2020 was primarily due to decreased travel expenses as a result of COVID-19.

We still expect our Other Research and Development expenses in 2021 to increase compared to 2020 as a result of our need for additional U.S. personnel to implement our clinical program.

### Share-Based Payments

	2021 \$	2020 \$
Share-based payments	<b>361,603</b>	105,447

During the three-month period ending March 31, 2021, our non-cash share-based payment expenses were \$361,603 compared to \$105,447 for the three-month period ending March 31, 2020. We incurred share-based payment expenses associated with the vesting of options and share awards to officers and employees.

### Operating Expenses

	2021 \$	2020 \$
Public company related expenses	<b>2,087,151</b>	1,897,688
Office expenses	<b>651,532</b>	694,274
Depreciation - property and equipment	<b>20,550</b>	23,045
Depreciation - right-of-use assets	<b>86,184</b>	91,023
Share-based payments	<b>296,473</b>	287,358
Operating expenses	<b>3,141,890</b>	2,993,388

Our operating expenses for the three-month period ending March 31, 2021 were \$3,141,890 compared to \$2,993,388 for the three-month period ending March 31, 2020. Public company related expenses include costs associated with investor relations, business development and financial advisory activities, legal and accounting fees, corporate insurance, director fees and transfer agent and other fees relating to our Canadian and U.S. stock listings. During the three-month period ending March 31, 2021, our public company related expenses were \$2,087,151 compared to \$1,897,688 for the three-month period ending March 31, 2020. The change was due to increased directors and officers insurance premiums, partly offset by lower investor relations and business development activities as well as decreased travel expenses as a result of COVID-19.

Office expenses include compensation costs (excluding share-based payments), rent related to short-term leases and other office related costs. During the three-month period ending March 31, 2021, our office expenses of \$651,532 remained consistent with \$694,274 during the three-month period ending March 31, 2020.

During the three-month period ending March 31, 2021, our non-cash share-based payment expenses were \$296,473 compared to \$287,358 for the three-month period ending March 31, 2020. We incurred share-based payment expenses associated with the vesting of options and share awards to officers, employees, consultants and independent board members.

We still expect our operating expenses in 2021 to increase compared to 2020.

### Change in Fair Value of Warrant Derivative

We issued warrants in connection with our August 2019 underwritten public offering. Warrants issued with an exercise price denominated in a foreign currency are reported as a liability until they are exercised or expire. These warrants are adjusted to fair value at each exercise date and at each reporting period and any change in fair value is recorded in the consolidated statements of (loss) income and comprehensive (loss) income. Gains and losses resulting from the revaluation of the warrant derivative are non-cash and do not impact our cash flows.

	2021 \$	2020 \$
Change in fair value of warrant derivative	<b>(164,780)</b>	<b>4,151,982</b>

During the three-month period ending March 31, 2021, we recognized a loss of \$164,780 on the change in fair value of our warrant derivative compared to a gain of \$4,151,982 for the three-month period ending March 31, 2020. The change in fair value during the three-month period ending March 31, 2021 was as a result of several factors including changes in the market price of our shares to US\$3.81 on March 31, 2021 from US\$2.38 on December 31, 2020, and the revaluation on warrants exercised. The change in fair value in the three-month period ending March 31, 2020 was as a result of several factors including changes in the market price of our shares to US\$1.38 on March 31, 2020 from US\$4.76 on December 31, 2019, and the revaluation on warrants exercised. The number of outstanding warrants was 64,035 and 478,938 as at March 31, 2021 and March 31, 2020, respectively.

### ***Foreign Exchange (Loss) Gain***

	2021 \$	2020 \$
Foreign exchange (loss) gain	(390,554)	1,704,805

Our foreign exchange (loss) gain for the three-month period ending March 31, 2021 was a loss of \$390,554 compared to a gain of \$1,704,805 for the three-month period ending March 31, 2020. The foreign exchange (loss) gain in the three-month period ending March 31, 2021 and 2020 was primarily due to unrealized translation (loss) gain on U.S. dollar denominated cash balances.

### ***Commitments***

As at March 31, 2021, we were committed to payments totaling approximately \$8,915,243 for activities related to our clinical trial, manufacturing and collaboration programs which are expected to occur over the next two years. All of these committed payments are considered to be part of our normal course of business.

#### *Leases*

Our portfolio of leases consists of office spaces with initial lease terms generally between 3 to 5 years. We currently do not have leases with variable lease payments or have residual value guarantees.

During the first quarter of 2021, we extended the office lease for one of our subsidiaries for which we recorded an adjustment of \$323,782 to the lease liability and right-of-use asset. The incremental borrowing rate applied was 15%. We also entered into a new office space lease for our Canadian head office, which will commence in the second quarter of 2021. The future undiscounted cash outflows related to this lease is approximately \$320,000.

Our total undiscounted lease liability as at March 31, 2021 is as follows:

<b>Maturity analysis - contractual undiscounted cash flows</b>	
	<b>March 31, 2021</b>
Less than one year	327,735
One to five years	412,092
More than five years	—
<b>Total undiscounted lease liability</b>	<b>739,827</b>

## Summary of Quarterly Results

(in thousands, except per share data)

	2021		2020		2019			
	Mar	Dec	Sept	June	Mar	Dec	Sept	June
Revenue	—	—	—	—	—	—	—	—
Net (loss) income <sup>(1)(2)</sup>	(6,435)	(9,329)	(6,749)	(6,827)	400	(19,402)	(3,529)	(5,254)
Basic (loss) earnings per common share <sup>(1)(2)</sup>	(0.13)	(0.21)	(0.16)	(0.17)	0.01	(0.71)	(0.16)	(0.26)
Diluted loss per common share <sup>(3)</sup>	(0.13)	(0.21)	(0.16)	(0.17)	(0.04)	(0.71)	(0.16)	(0.26)
Total assets <sup>(4)</sup>	54,180	34,346	31,242	34,604	34,553	19,658	16,285	15,302
Total cash <sup>(4)</sup>	50,362	31,220	26,711	29,911	30,567	14,148	12,299	12,276
Total long-term debt	—	—	—	—	—	—	—	—
Cash dividends declared <sup>(5)</sup>	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

- (1) Included in consolidated net (loss) income and (loss) earnings per common share between March 2021 and July 2019 are non-cash change in fair value of warrant derivative (loss) gain of (\$164,780), (\$213,168), \$60,264, (\$507,150), \$4,151,982, (\$12,486,310) and (\$122,498), respectively. There was no change in fair value of warrant derivative gain (loss) between June 2019 and April 2019.
- (2) Included in net (loss) income and (loss) earnings per common share between March 2021 and April 2019 are quarterly share-based payment expenses of \$658,076, \$1,704,453, \$201,076, \$260,640, \$392,805, \$658,662, \$250,384, and \$260,184, respectively.
- (3) Q1 2020 included the effect of dilutive warrant derivative, stock options and share awards. For all other periods presented, the effect of any potential exercise of our stock options and warrants outstanding during the year has been excluded from the calculation of diluted loss per common share, as it would be anti-dilutive.
- (4) We issued 6,677,230 common shares for net cash proceeds of \$25.3 million in 2021 (2020 - 13,968,257 common shares for net cash proceeds of \$40.2 million).
- (5) We have not declared or paid any dividends since incorporation.

## Liquidity and Capital Resources

### 2021 Financing Activities

#### U.S. "at-the-market" equity distribution

During the period ending March 31, 2021, we sold 6,313,219 common shares for gross proceeds of US\$20,440,251 at an average price of US\$3.24. We received, net of commissions of US\$613,208, proceeds of US\$19,827,043. In total, we incurred share issue costs (including commissions) of \$974,247.

#### Warrant exercise

During the period ending March 31, 2021, 201,722 warrants in connection with our August 2019 underwritten public offering were exercised for gross proceeds of US\$181,550.

### 2020 Financing Activities

#### U.S. "at-the-market" equity distribution agreement

During the period ending March 31, 2020, we sold 4,291,860 common shares for gross proceeds of US\$13,296,331 at an average price of US\$3.10. We received, net of commission of US\$398,890, proceeds of US\$12,897,441. In total, we incurred share issue costs (including commissions) of \$691,297.

#### Warrant exercise

During the period ending March 31, 2020, 1,205,188 warrants in connection with our August 2019 underwritten public offering were exercised for gross proceeds of US\$1,084,669.

## Liquidity

As at March 31, 2021, we had cash and cash equivalents and working capital positions as follows:

	<b>March 31, 2021 \$</b>	<b>December 31, 2020 \$</b>
Cash and cash equivalents	<b>50,362,162</b>	31,219,574
Working capital position	<b>51,184,563</b>	31,558,550

We do not have any debt other than trade accounts payable and lease liabilities, and we have potential contingent obligations relating to the completion of our research and development of pelareorep.

In managing our capital, we estimate our future cash requirements by preparing a budget and a multi-year plan annually for review and approval by our Board. The budget establishes the approved activities for the upcoming year and estimates the costs associated with these activities. The multi-year plan estimates future activity along with the potential cash requirements and is based on our assessment of our current clinical trial progress along with the expected results from the coming year's activity. Budget to actual variances are prepared and reviewed by management and are presented quarterly to the Board.

Historically, funding for our plan is primarily managed through the issuance of additional common shares and common share purchase warrants that upon exercise are converted to common shares. Management regularly monitors the capital markets attempting to balance the timing of issuing additional equity with our progress through our clinical trial program, general market conditions, and the availability of capital. There are no assurances that funds will be made available to us when required.

On June 12, 2020, we renewed our short form base shelf prospectus (the "Base Shelf") that qualifies for distribution of up to \$150,000,000 of common shares, subscription receipts, warrants, or units (the "Securities") in either Canada, the US or both. Under a Base Shelf, we may sell Securities to or through underwriters, dealers, placement agents or other intermediaries and also may sell Securities directly to purchasers or through agents, subject to obtaining any applicable exemption from registration requirements. The distribution of Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be subject to change, at market prices prevailing at the time of sale, or at prices related to such prevailing market prices to be negotiated with purchasers and as set forth in an accompanying Prospectus Supplement.

Renewing our Base Shelf provides us with additional flexibility when managing our cash resources as, under certain circumstances, it shortens the time period required to close a financing and is expected to increase the number of potential investors that may be prepared to invest in our company. Funds received as a result of using our Base Shelf would be used in line with our Board approved budget and multi-year plan. Our renewed Base Shelf will be effective until July 12, 2022.

Our Base Shelf allowed us to enter into our ATM equity offering sales agreements in June 2020 and March 2021 (see Note 5 of our interim consolidated financial statements). We use these equity arrangements to assist us in achieving our capital objective. These arrangements provide us with the opportunity to raise capital at our sole discretion providing us with the ability to better manage our cash resources.

We anticipate that the expected cash usage from our operations in 2021 will be between \$28 - \$30 million. We continue to manage our research and development plan with the objective of ensuring optimal use of our existing resources. Additional activities continue to be subject to adequate resources and we believe we will have sufficient cash resources to fund our presently planned operations to the end of 2021. Factors that will affect our anticipated cash usage in 2021, and for which additional funding might be required include, but are not limited to, expansion of our clinical trial program, the timing of patient enrollment in our approved clinical trials, the actual costs incurred to support each clinical trial, the number of treatments each patient will receive, the timing of R&D activity with our clinical trial research collaborations, the number, timing and costs of manufacturing runs required to conclude the validation process and supply product to our clinical trial program, and the level of collaborative activity undertaken.

We are not subject to externally imposed capital requirements and there have been no changes in how we define or manage our capital in 2021.

## Financial Instruments and Other Instruments

Our financial instruments consist of cash and cash equivalents, other receivables, other liabilities, accounts payable and warrant derivative. As at March 31, 2021, the carrying amount of our cash and cash equivalents, other receivables, other liabilities and accounts payable approximated their fair value. The warrant derivative is a recurring Level 2 fair value measurement as these warrants have not been listed on an exchange and therefore do not trade on an active market. As at March 31, 2021, the fair value of our warrant derivative was \$237,546 (December 31, 2020 - \$531,228).

### *Credit risk*

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk on our cash and cash equivalents in the event of non-performance by counterparties, but we do not anticipate such non-performance. Our maximum exposure to credit risk at the end of the period is the carrying value of our cash and cash equivalents and other receivables.

We mitigate our exposure to credit risk by maintaining our primary operating and investment bank accounts with Schedule I banks in Canada. For our foreign domiciled bank accounts, we use referrals or recommendations from our Canadian banks to open foreign bank accounts and these accounts are used solely for the purpose of settling accounts payable or payroll.

### *Interest rate risk*

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risk through our cash and cash equivalents. We mitigate this risk through our investment policy that only allows investment of excess cash resources in investment grade vehicles while matching maturities with our operational requirements.

Fluctuations in market rates of interest do not have a significant impact on our results of operations due to the short term to maturity of the investments held.

### *Foreign exchange risk*

Foreign exchange risk arises from changes in foreign exchange rates that may affect the fair value or future cash flows of our financial assets or liabilities. We are primarily exposed to the risk of changes in the Canadian dollar relative to the U.S. dollar, British pound and Euro as a portion of our financial assets and liabilities are denominated in such currencies. The impact of a \$0.01 increase in the value of the U.S. dollar against the Canadian dollar would have decreased our net comprehensive loss in 2021 by approximately \$370,000. The impact of a \$0.10 increase in the value of the British pound against the Canadian dollar would have decreased our net comprehensive loss in 2021 by approximately \$1,300. The impact of a \$0.10 increase in the value of the Euro against the Canadian dollar would have decreased our net comprehensive loss in 2021 by approximately \$15,000.

We mitigate our foreign exchange risk by maintaining sufficient foreign currencies, through the purchase of foreign currencies or receiving foreign currencies from financing activities, to settle our foreign accounts payable.

Balances in foreign currencies at March 31, 2021 are as follows:

	US dollars \$	British pounds £	Euro €
Cash and cash equivalents	39,026,206	33,880	157,189
Other receivables	87,337	—	—
Accounts payable and other liabilities	(245,004)	(280)	—
Warrant derivative	(188,903)	—	—
	38,679,636	33,600	157,189

### *Liquidity risk*

Liquidity risk is the risk that we will encounter difficulty in meeting obligations associated with financial liabilities. We manage liquidity risk through the management of our capital structure as outlined in Note 10 of our interim consolidated financial statements. Accounts payable are all due within the current operating period.

## **Other MD&A Requirements**

We have 54,667,902 common shares outstanding at May 6, 2021. If all of our options, restricted share units and performance share units (4,909,654), common share purchase warrants with a \$9.025 exercise price (1,730,894) and common share purchase warrants with a US\$0.90 exercise price (64,035), were exercised or were to vest, we would have 61,372,485 common shares outstanding.

Our 2020 annual report on Form 20-F is available on [www.sedar.com](http://www.sedar.com).

## **Disclosure Controls and Procedures**

There were no changes in our internal controls over financial reporting during the quarter ended March 31, 2021 that materially affected or are reasonably likely to materially affect, our internal controls over financial reporting.



Interim Consolidated Financial Statements  
(*unaudited*)

**Oncolytics Biotech<sup>®</sup> Inc.**  
March 31, 2021 and 2020

**ONCOLYTICS BIOTECH INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
*(unaudited)*  
(in Canadian dollars, except share amounts)

As at	Notes	March 31, 2021 \$	December 31, 2020 \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	50,362,162	31,219,574
Other receivables		111,665	89,661
Prepaid expenses		2,881,730	2,427,200
<b>Total current assets</b>		<b>53,355,557</b>	<b>33,736,435</b>
<b>Non-current assets</b>			
Property and equipment		215,587	236,664
Right-of-use assets	9	609,297	372,468
<b>Total non-current assets</b>		<b>824,884</b>	<b>609,132</b>
<b>Total assets</b>		<b>54,180,441</b>	<b>34,345,567</b>
<b>Liabilities And Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable and accrued liabilities		1,918,638	1,805,015
Other liabilities		—	123,985
Lease liabilities	9	252,356	248,885
Warrant derivative	4	237,546	531,228
<b>Total current liabilities</b>		<b>2,408,540</b>	<b>2,709,113</b>
<b>Non-current liabilities</b>			
Contract liability	8	6,730,287	6,730,287
Lease liabilities	9	371,974	153,174
<b>Total non-current liabilities</b>		<b>7,102,261</b>	<b>6,883,461</b>
<b>Total liabilities</b>		<b>9,510,801</b>	<b>9,592,574</b>
<i>Commitments and contingencies</i>	9		
<b>Shareholders' equity</b>			
Share capital			
Authorized: unlimited			
Issued: March 31, 2021 – 52,844,210			
December 31, 2020 – 46,166,980	5	382,963,397	356,824,172
Warrants	5	3,617,570	3,617,570
Contributed surplus	6	31,274,835	31,022,356
Accumulated other comprehensive income		359,913	400,225
Accumulated deficit		(373,546,075)	(367,111,330)
<b>Total shareholders' equity</b>		<b>44,669,640</b>	<b>24,752,993</b>
<b>Total liabilities and shareholder's equity</b>		<b>54,180,441</b>	<b>34,345,567</b>

See accompanying notes

**ONCOLYTICS BIOTECH INC.**  
**INTERIM CONSOLIDATED STATEMENTS OF (LOSS) INCOME AND COMPREHENSIVE (LOSS) INCOME**  
*(unaudited)*  
(in Canadian dollars, except share amounts)

For the three-month period ending March 31,	Notes	2021 \$	2020 \$
<b>Expenses</b>			
Research and development	6, 13, 14	2,759,014	2,529,646
Operating	6, 13, 14	3,141,890	2,993,388
<b>Loss before the following</b>		<b>(5,900,904)</b>	<b>(5,523,034)</b>
Change in fair value of warrant derivative	4	(164,780)	4,151,982
Foreign exchange (loss) gain	13	(390,554)	1,704,805
Interest income, net		21,493	65,909
<b>Net (loss) income</b>		<b>(6,434,745)</b>	<b>399,662</b>
<b>Other comprehensive (loss) income items that may be reclassified to net loss</b>			
Translation adjustment		(40,312)	295,212
<b>Net comprehensive (loss) income</b>		<b>(6,475,057)</b>	<b>694,874</b>
<b>(Loss) earnings per common share</b>			
<b>Basic</b>	7	<b>(0.13)</b>	<b>0.01</b>
<b>Diluted</b>	7	<b>(0.13)</b>	<b>(0.04)</b>

See accompanying notes

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

	Notes	Share Capital \$	Warrants \$	Contributed Surplus \$	Accumulated Other Comprehensive Income \$	Accumulated Deficit \$	Total \$
As at December 31, 2019		311,077,859	3,617,570	29,338,849	464,101	(344,606,273)	(107,894)
Net loss and other comprehensive loss		—	—	—	295,212	399,662	694,874
Issued pursuant to stock option plan	5, 6	134,985	—	(49,835)	—	—	85,150
Issued pursuant to incentive share award plan	5, 6	209,475	—	(209,475)	—	—	—
Issued pursuant to "At the Market" Agreement	5	17,529,109	—	—	—	—	17,529,109
Issued pursuant to warrant derivative exercised	4, 5	5,529,266	—	—	—	—	5,529,266
Share-based compensation	6	—	—	392,805	—	—	392,805
Share issue costs	5	(691,297)	—	—	—	—	(691,297)
<b>As at March 31, 2020</b>		<b>333,789,397</b>	<b>3,617,570</b>	<b>29,472,344</b>	<b>759,313</b>	<b>(344,206,611)</b>	<b>23,432,013</b>
As at December 31, 2020		356,824,172	3,617,570	31,022,356	400,225	(367,111,330)	24,752,993
Net loss and other comprehensive income		—	—	—	(40,312)	(6,434,745)	(6,475,057)
Issued pursuant to stock option plan	5, 6	302,908	—	(113,558)	—	—	189,350
Issued pursuant to incentive share award plan	5, 6	292,039	—	(292,039)	—	—	—
Issued pursuant to "At the Market" Agreement	5	25,831,909	—	—	—	—	25,831,909
Issued pursuant to warrant derivative exercised	4, 5	686,616	—	—	—	—	686,616
Share-based compensation	6	—	—	658,076	—	—	658,076
Share issue costs	5	(974,247)	—	—	—	—	(974,247)
<b>As at March 31, 2021</b>		<b>382,963,397</b>	<b>3,617,570</b>	<b>31,274,835</b>	<b>359,913</b>	<b>(373,546,075)</b>	<b>44,669,640</b>

*See accompanying notes*

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

For the three-month period ending March 31,	Notes	2021 \$	2020 \$
<b>Operating Activities</b>			
Net loss for the period		(6,434,745)	399,662
Depreciation - property and equipment	13	20,550	23,045
Depreciation - right-of-use-assets	13	86,184	91,023
Share-based compensation	6, 13, 14	658,076	392,805
Interest expense on lease liabilities		13,809	18,209
Unrealized foreign exchange loss (gain)		519,368	(1,427,756)
Change in fair value of warrant derivative	4	164,780	(4,151,982)
Net change in non-cash working capital	12	(596,479)	699,737
<b>Cash used in operating activities</b>		<b>(5,568,457)</b>	<b>(3,955,257)</b>
<b>Investing Activities</b>			
Acquisition of property and equipment		—	(10,715)
<b>Cash used in investing activities</b>		<b>—</b>	<b>(10,715)</b>
<b>Financing Activities</b>			
Proceeds from exercise of stock options	6	189,350	85,150
Proceeds from exercise of warrant derivative	4, 5	230,946	1,433,142
Proceeds from "At the Market" equity distribution agreement	5	24,857,662	16,837,813
Payment of lease liabilities		(111,673)	(113,474)
<b>Cash provided by financing activities</b>		<b>25,166,285</b>	<b>18,242,631</b>
<b>Increase in cash</b>		<b>19,597,828</b>	<b>14,276,659</b>
Cash and cash equivalents, beginning of period		31,219,574	14,148,021
Impact of foreign exchange on cash and cash equivalents		(455,240)	2,142,800
<b>Cash and cash equivalents, end of period</b>		<b>50,362,162</b>	<b>30,567,480</b>

See accompanying notes

**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

## **Note 1: Incorporation and Nature of Operations**

Oncolytics Biotech Inc. was incorporated on April 2, 1998 under the Business Corporations Act (Alberta) as 779738 Alberta Ltd. On April 8, 1998, we changed our name to Oncolytics Biotech Inc.

Our interim consolidated financial statements for the period ended March 31, 2021, were authorized for issue in accordance with a resolution of the Board of Directors (the "Board") on May 6, 2021. We are a limited company incorporated and domiciled in Canada. Our shares are publicly traded on the Nasdaq Capital Markets and the Toronto Stock Exchange. Our principal place of business is located at 210, 1167 Kensington Crescent NW, Calgary, Alberta, Canada.

We are a development stage biopharmaceutical company that focuses on the discovery and development of pharmaceutical products for the treatment of cancers that have not been successfully treated with conventional therapeutics. Our lead product, pelareorep, is a potential immuno-oncology viral-agent that may be a novel treatment for certain types of cancer and may be an alternative to or used in combination with existing cytotoxic or cytostatic therapies. Our clinical development program for pelareorep centers on key immunotherapy combinations. Specifically, immunotherapy combinations in which pelareorep has the potential to provoke specific innate and adaptive immune responses when combined with checkpoint blockade therapy, chemotherapy and/or targeted therapies.

The full extent to which the coronavirus infectious disease 2019 ("COVID-19") pandemic may directly or indirectly impact our business, results of operations and financial condition, including our ability to finance our operations, expenses, clinical trials, and research and development costs, will depend on future developments that are evolving and highly uncertain, such as the duration and severity of outbreaks, including potential future waves or cycles, and the effectiveness of actions taken to contain and treat COVID-19. We considered the potential impact of COVID-19 when making certain estimates and judgments relating to the preparation of these interim consolidated financial statements. While there was no material impact to our interim consolidated financial statements as of and for the period ended March 31, 2021, our future assessment of the magnitude and duration of COVID-19, as well as other factors, could result in a material impact to our consolidated financial statements in future reporting periods.

## **Note 2: Basis of Financial Statement Presentation**

Our interim consolidated financial statements include our financial statements and the financial statements of our subsidiaries as at March 31, 2021 and are presented in Canadian dollars, our functional currency.

Our accounts are prepared in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"). The accounts are prepared on the historical cost basis, except for certain assets and liabilities which are measured at fair value as explained in the notes to these financial statements.

These interim consolidated financial statements have been prepared in compliance with International Accounting Standard 34 *Interim Financial Reporting*. The notes presented in these interim consolidated financial statements include only significant events and transactions occurring since our last fiscal year end and are not fully inclusive of all matters required to be disclosed in our annual audited consolidated financial statements. Accordingly, these interim consolidated financial statements should be read in conjunction with our most recent annual audited consolidated financial statements, for the year ended December 31, 2020. We have consistently applied the same accounting policies for all periods presented in these interim consolidated financial statements as those used in our audited consolidated financial statements for the year ended December 31, 2020.

## **Note 3: Cash Equivalents**

### ***Cash Equivalents***

Cash equivalents consist of interest bearing deposits with our bank totaling \$48,306,314 (December 31, 2020 – \$30,361,591). The current annual interest rate earned on these deposits is 0.32% (December 31, 2020 – 0.36%).

**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

**Note 4: Warrant Derivative**

On August 16, 2019, pursuant to an underwritten public offering, 4,619,773 units were sold at a purchase price of US\$0.81 per unit for gross proceeds of US\$3,742,016. Each unit included one common share and one common share purchase warrant (see Note 5). Each common share purchase warrant entitled the holder to purchase one common share at an exercise price of US\$0.90 until August 16, 2024.

Under IFRS 9 *Financial Instruments* and IAS 32 *Financial Instruments: Presentation*, warrants with an exercise price denominated in a currency that differs from an entity's functional currency are treated as a derivative measured at fair value with subsequent changes in fair value accounted for through profit and loss. Our warrants with an exercise price of US\$0.90 meet this requirement and we have presented the fair value of these warrants as a current liability on the consolidated statement of financial position. As these warrants are exercised, the fair value at the date of exercise and the associated non-cash liability will be included in our share capital along with the proceeds from the exercise. If these warrants expire, the non-cash warrant liability is reversed through the consolidated statement of loss and comprehensive loss. There is no cash flow impact as a result of the accounting treatment for changes in the fair value of the warrant derivative or when warrants expire unexercised.

A reconciliation of the change in fair value of the warrant derivative is as follows:

	Number of Warrants Outstanding	Fair Value of Warrant Derivative \$
As at December 31, 2019	1,684,126	8,508,764
Exercised	(1,418,369)	(4,636,317)
Change in fair value	—	(3,491,928)
Foreign exchange impact	—	150,709
As at December 31, 2020	265,757	531,228
Exercised	(201,722)	(455,670)
Change in fair value	—	164,780
Foreign exchange impact	—	(2,792)
<b>As at March 31, 2021</b>	<b>64,035</b>	<b>237,546</b>

During the period ending March 31, 2021, we received cash proceeds of US\$181,550 (March 31, 2020 - US\$1,084,669) with respect to warrants exercised.

We use the Black-Scholes valuation model to estimate fair value. The expected volatility is based on the Company's common share historical volatility less an estimated market participant risk adjustment. The risk-free interest rate is based on U.S. Department of Treasury benchmark treasury yield rates with an approximate equivalent remaining term in effect at the time of valuation and the expected life represents the estimated length of time the warrants are expected to remain outstanding.

The estimated fair value of the warrant derivative was determined using the following assumptions:

	March 31, 2021	December 31, 2020
Fair value per warrant	US\$2.95	US\$1.57
Underlying share price	US\$3.81	US\$2.38
Risk-free interest rate	0.07%	0.10%
Expected hold period to exercise	1.0 year	1.0 year
Expected share price volatility	90.00%	90.00%
Expected dividend yield	Nil	Nil

**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

## Note 5: Share Capital

**Authorized:**

Unlimited number of no par value common shares

	Shares	
	Number	Amount \$
Balance, December 31, 2019	32,198,453	311,077,859
Issued pursuant to stock option plan	133,454	385,022
Issued pursuant to incentive share award plan	234,172	732,367
Issued pursuant to "At the Market" (ATM) equity distribution agreement <sup>(a)(c)</sup>	12,182,532	40,037,786
Issued pursuant to warrant derivative exercised <sup>(b)</sup>	1,418,369	6,332,778
Share issue costs	—	(1,741,640)
<b>Balance, December 31, 2020</b>	<b>46,166,980</b>	<b>356,824,172</b>
Issued pursuant to stock option plan	88,492	302,908
Issued pursuant to incentive share award plan	73,797	292,039
Issued pursuant to "At the Market" (ATM) equity distribution agreement <sup>(c)(d)</sup>	6,313,219	25,831,909
Issued pursuant to warrant derivative exercised <sup>(b)</sup>	201,722	686,616
Share issue costs	—	(974,247)
<b>Balance, March 31, 2021</b>	<b>52,844,210</b>	<b>382,963,397</b>

- (a) On October 24, 2018, we entered into an ATM equity offering sales agreement with Canaccord Genuity Inc. The ATM allowed us, at our sole discretion, to issue common shares, at prevailing market prices, with an aggregate offering value of up to US\$30,000,000 over a 19-month period through the facilities of the Nasdaq Capital Market in the United States. This sales agreement expired on June 4, 2020 and no shares were issued during the period ending March 31, 2021. During the period ending March 31, 2020, we sold 4,291,860 common shares for gross proceeds of US\$13,296,331 at an average price of US\$3.10. We received, net of commissions of US\$398,890, proceeds of US\$12,897,441. In total, we incurred share issue costs (including commissions) of \$691,297.
- (b) On August 16, 2019, pursuant to an underwritten public offering, 4,619,773 units were sold at a purchase price of US\$0.81 per unit. Each unit included one common share with a fair value of US\$0.54 and one common share purchase warrant with a fair value of US\$0.27. These warrants were classified as a financial liability. Each common share purchase warrant entitled the holder to purchase one common share at an exercise price of US\$0.90 until August 16, 2024. During the period ending March 31, 2021, our share capital included fair value of \$455,670 (March 31, 2020 - \$4,096,123) in addition to gross proceeds of US\$181,550 (March 31, 2020 - US\$1,084,669) for the 201,722 (March 31, 2020 - 1,205,188) warrants that were exercised (see Note 4).
- (c) On June 15, 2020, we entered into an ATM equity distribution agreement with Canaccord Genuity Inc. The ATM allowed us, at our sole discretion, to issue common shares, at prevailing market prices, with an aggregate offering value of up to US\$40,000,000 over a 25-month period through the facilities of the Nasdaq Capital Market in the United States. During the period ending March 31, 2021, we sold 5,685,097 common shares for gross proceeds of US\$18,503,188 at an average price of US\$3.25. We received, net of commissions of US\$555,096, proceeds of US\$17,948,092. In total, we incurred share issue costs (including commissions) of \$707,421. On March 4, 2021, we terminated the June 15, 2020 ATM equity distribution agreement.
- (d) On March 5, 2021, we entered into an ATM equity distribution agreement with Canaccord Genuity Inc. The ATM allows us, at our sole discretion, to issue common shares, at prevailing market prices, with an aggregate offering value of up to US\$80,000,000 over a 16-month period through the facilities of the Nasdaq Capital Market in the United States. During the period ending March 31, 2021, we sold 628,122 common shares for gross proceeds of US\$1,937,063 at an average price of



**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

US\$3.08. We received, net of commissions of US\$58,112, proceeds of US\$1,878,951. In total, we incurred share issue costs (including commissions) of \$266,826.

**Equity Warrants**

On June 1, 2017, pursuant to an underwritten public offering, 16,445,000 units were sold for gross proceeds of \$11,511,500. Each unit included one common share and one common share purchase warrant. Following the 2018 share consolidation, 9.5 common share purchase warrants entitled the holder to purchase one common share in the capital of the Company until June 1, 2022, at an exercise price of approximately \$9.025. These warrants were classified as equity.

The following table summarizes our outstanding equity warrants:

	Number of Warrants Outstanding <sup>(1)</sup>	Warrant \$
As at December 31, 2020	16,443,500	3,617,570
As at March 31, 2021	16,443,500	3,617,570

(1) Exercisable into 1,730,894 common shares.

**Note 6: Share-Based Payments**

**Stock Option Plan**

We have issued stock options to acquire common stock through our stock option plan of which the following are outstanding at March 31:

	2021		2020	
	Stock Options	Weighted Average Exercise Price \$	Stock Options	Weighted Average Exercise Price \$
Outstanding, beginning of the period	3,764,055	4.08	2,246,947	5.31
Granted during the period	1,087,500	3.40	60,000	5.23
Exercised during the period	(88,492)	2.14	(37,796)	2.25
Outstanding, end of the period	4,763,063	3.96	2,269,151	5.36
Options exercisable, end of the period	2,156,834	5.03	1,370,822	7.34

The following table summarizes information about the stock options outstanding and exercisable at March 31, 2021:

Range of Exercise Prices	Number Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price \$	Number Exercisable	Weighted Average Exercise Price \$
\$0.54 - \$1.79	762,998	2.78	1.39	499,674	1.36
\$1.80 - \$3.01	431,573	4.32	2.66	261,573	2.68
\$3.02 - \$3.90	2,907,206	4.10	3.28	754,696	3.26
\$3.91 - \$7.41	493,252	2.43	6.13	472,857	6.17
\$7.42 - \$52.63	168,034	2.07	24.32	168,034	24.32
	4,763,063	3.67	3.96	2,156,834	5.03

Non-exercisable options vest annually over periods ranging from one to three years.

**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

We use the Black-Scholes valuation model to estimate fair value. We use historical data to estimate the expected dividend yield and expected volatility of our stock in determining the fair value of the stock options. The risk-free interest rate is based on the Government of Canada benchmark bond yield rates in effect at the time of grant and the expected life of the options represents the estimated length of time the options are expected to remain outstanding.

The estimated fair value of stock options granted during the period was determined using the Black-Scholes valuation model using the following weighted average assumptions:

	<b>2021</b>	<b>2020</b>
Risk-free interest rate	<b>0.49%</b>	1.63%
Expected hold period to exercise	<b>3.0 years</b>	3.0 years
Expected share price volatility	<b>110.78%</b>	110.84%
Expected dividend yield	<b>Nil</b>	Nil
Weighted average fair value of options	<b>\$2.26</b>	\$3.51

### Incentive Share Award Plan

#### *Restricted Share Units*

We have issued restricted share units ("RSUs") to non-employee directors through our incentive share award plan. Grants of RSUs to non-employee directors vest either immediately, on the third anniversary date from the grant date or when the director ceases to be a member of the board. We have also issued RSUs to certain officers and employees of the Company. Grants of RSUs to certain officers and employees of the Company vest over a three year period. The following RSUs are outstanding at March 31:

	<b>2020</b>	<b>2019</b>
Outstanding, beginning of the period	<b>134,618</b>	209,657
Granted during the period	—	20,660
Released during the period	<b>(16,956)</b>	(79,606)
Outstanding, end of the period	<b>117,662</b>	150,711

(1) The weighted average fair value of the RSUs granted was nil in 2021 (2020 - \$3.08).

#### *Performance Share Units*

We have also issued performance share units ("PSUs") to certain officers and employees of the Company. Grants of PSUs require completion of certain performance criteria and cliff vest after 3 years or vest over a three year period, depending on the grant. PSU grants to certain officers will vest immediately upon a change of control of the Company. If certain officers cease employment with the Company, vesting occurs on a pro rata basis prior to the third anniversary of the grant but after the first anniversary. The following PSUs are outstanding at March 31:

	<b>2021</b>	<b>2020</b>
Outstanding, beginning of the period	<b>56,841</b>	61,051
Released during the period	<b>(56,841)</b>	(4,210)
Outstanding, end of the period	—	56,841

We have reserved 5,284,421 common shares for issuance relating to our outstanding equity compensation plans. Compensation expense related to stock options, RSUs and PSUs was \$658,076 for the three-month periods ending March 31, 2021 (March 31, 2020 - \$392,805).

**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

## Note 7: (Loss) Earnings Per Common Share

The basic and diluted (loss) earnings per share have been calculated based on the following net (loss) income and weighted average shares outstanding:

For the three-month period ending March 31,	2021	2020
Net (loss) income available for common shareholders - basic	(\$6,434,745)	\$399,662
Effect of warrant derivative	—	(\$1,957,715)
Net loss available for common shareholders - diluted	(\$6,434,745)	(\$1,558,053)
Weighted average number of shares - basic	49,666,585	35,865,707
Effect of stock options and share awards	—	706,186
Effect of warrant derivative	—	661,178
Weighted average number of shares - diluted	49,666,585	37,233,071
(Loss) earnings per common share - basic	(\$0.13)	\$0.01
Loss per common share - diluted	(\$0.13)	(\$0.04)

The effect of any potential exercises of warrants, stock options, RSUs and PSUs outstanding is excluded from the calculation of diluted loss per share in periods where the effect would be anti-dilutive.

## Note 8: Contract Liability

### *Regional licensing agreement*

We entered into a regional licensing agreement (the "Licensing Agreement") with Adlai Nortye Biopharma Co., Ltd. ("Adlai") in November 2017. Under the terms of the Licensing Agreement, Adlai will have exclusive development and commercialization rights to pelareorep in China, Hong Kong, Macau, Singapore, South Korea and Taiwan. We are entitled to receive upfront license fees, development and regulatory milestone payments, royalties and sales-based milestone payments.

### *Contract liability*

Our contract liability balance, which we expect to record in revenue over the next five years, is as follows:

	March 31, 2021 \$	December 31, 2020 \$
Balance, beginning of the period	6,730,287	6,730,287
Regional licensing agreement	—	—
Revenue recognized in the period	—	—
Balance, end of the period	6,730,287	6,730,287
Contract liability - non-current	6,730,287	6,730,287
	6,730,287	6,730,287

## Note 9: Commitments

We are committed to payments totaling \$8,915,243 for activities related to our clinical trial, manufacturing and collaboration programs which are expected to occur over the next two years.

**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

Under a clinical trial agreement entered into with the Alberta Cancer Board (“ACB”), we have agreed to repay the amount funded under the agreement together with a royalty, to a combined maximum amount of \$400,000 plus an overhead repayment of \$100,000, upon sales of a specified product. We agreed to repay the ACB in annual installments in an amount equal to the lesser of: (a) 5% of gross sales of a specified product; or (b) \$100,000 per annum once sales of a specified product commence.

*Leases*

Our portfolio of leases consists of office spaces with initial lease terms generally between 3 to 5 years. We currently do not have leases with variable lease payments or residual value guarantees.

During the first quarter of 2021, we extended the office lease for one of our subsidiaries for which we recorded an adjustment of \$323,782 to the lease liability and right-of-use asset. The incremental borrowing rate applied was 15%. We also entered into a new office space lease for our Canadian head office, which will commence in the second quarter of 2021. The future undiscounted cash outflows related to this lease is approximately \$320,000.

Our total undiscounted lease liability as at March 31, 2021 is as follows:

<b>Maturity analysis - contractual undiscounted cash flows</b>	
	<b>March 31, 2021 \$</b>
Less than one year	327,735
One to five years	412,092
More than five years	—
<b>Total undiscounted lease liability</b>	<b>739,827</b>

## Note 10: Capital Disclosures

Our objective when managing capital is to maintain a strong statement of financial position. We achieve our objective by obtaining adequate cash resources to support planned activities which include the clinical trial program, product manufacturing, administrative costs and intellectual property expansion and protection. We include shareholders’ equity and cash and cash equivalents in the definition of capital.

	<b>March 31, 2021 \$</b>	<b>December 31, 2020 \$</b>
Cash and cash equivalents	<b>50,362,162</b>	31,219,574
Shareholders’ equity	<b>44,669,640</b>	24,752,993

We do not have any debt other than trade accounts payable and lease liabilities, and we have potential contingent obligations relating to the completion of our research and development of pelareorep.

In managing our capital, we estimate our future cash requirements by preparing a budget and a multi-year plan annually for review and approval by our Board. The budget establishes the approved activities for the upcoming year and estimates the costs associated with these activities. The multi-year plan estimates future activity along with the potential cash requirements and is based on our assessment of our current clinical trial progress along with the expected results from the coming year’s activity. Budget to actual variances are prepared and reviewed by management and are presented quarterly to the Board.

Historically, funding for our plan is primarily managed through the issuance of additional common shares and common share purchase warrants that upon exercise are converted to common shares. Management regularly monitors the capital markets attempting to balance the timing of issuing additional equity with our progress through our clinical trial program, general market conditions, and the availability of capital. There are no assurances that funds will be made available to us when required.

**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

On June 12, 2020, we renewed our short form base shelf prospectus (the "Base Shelf") that qualifies for distribution of up to \$150,000,000 of common shares, subscription receipts, warrants, or units (the "Securities") in either Canada, the US or both. Under a Base Shelf, we may sell Securities to or through underwriters, dealers, placement agents or other intermediaries and also may sell Securities directly to purchasers or through agents, subject to obtaining any applicable exemption from registration requirements. The distribution of Securities may be effected from time to time in one or more transactions at a fixed price or prices, which may be subject to change, at market prices prevailing at the time of sale, or at prices related to such prevailing market prices to be negotiated with purchasers and as set forth in an accompanying Prospectus Supplement.

Renewing our Base Shelf provides us with additional flexibility when managing our cash resources as, under certain circumstances, it shortens the time period required to close a financing and is expected to increase the number of potential investors that may be prepared to invest in our company. Funds received as a result of using our Base Shelf would be used in line with our Board approved budget and multi-year plan. Our renewed Base Shelf will be effective until July 12, 2022.

Our Base Shelf allowed us to enter into our ATM equity distribution agreements in June 2020 and March 2021 (see Note 5). We use these equity arrangements to assist us in achieving our capital objective. These arrangements provide us with the opportunity to raise capital at our sole discretion providing us with the ability to better manage our cash resources.

We are not subject to externally imposed capital requirements and there have been no changes in how we define or manage our capital in 2021.

## **Note 11: Financial Instruments**

Our financial instruments consist of cash and cash equivalents, other receivables, other liabilities, accounts payable and warrant derivative. As at March 31, 2021, the carrying amount of our cash and cash equivalents, other receivables, other liabilities and accounts payable approximated their fair value. The warrant derivative is a recurring Level 2 fair value measurement as these warrants have not been listed on an exchange and therefore do not trade on an active market. As at March 31, 2021, the fair value of our warrant derivative was \$237,546 (December 31, 2020 - \$531,228).

### ***Credit risk***

Credit risk is the risk of financial loss if a counterparty to a financial instrument fails to meet its contractual obligations. We are exposed to credit risk on our cash and cash equivalents in the event of non-performance by counterparties, but we do not anticipate such non-performance. Our maximum exposure to credit risk at the end of the period is the carrying value of our cash and cash equivalents and other receivables.

We mitigate our exposure to credit risk by maintaining our primary operating and investment bank accounts with Schedule I banks in Canada. For our foreign domiciled bank accounts, we use referrals or recommendations from our Canadian banks to open foreign bank accounts and these accounts are used solely for the purpose of settling accounts payable or payroll.

### ***Interest rate risk***

Interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. We are exposed to interest rate risk through our cash and cash equivalents. We mitigate this risk through our investment policy that only allows investment of excess cash resources in investment grade vehicles while matching maturities with our operational requirements.

Fluctuations in market rates of interest do not have a significant impact on our results of operations due to the short term to maturity of the investments held.

### ***Foreign exchange risk***

Foreign exchange risk arises from changes in foreign exchange rates that may affect the fair value or future cash flows of our financial assets or liabilities. We are primarily exposed to the risk of changes in the Canadian dollar relative to the U.S. dollar, British pound and Euro as a portion of our financial assets and liabilities are denominated in such currencies. The impact of a \$0.01 increase in the value of the U.S. dollar against the Canadian dollar would have decreased our net comprehensive loss in 2021 by approximately \$370,000. The impact of a \$0.10 increase in the value of the British pound against the Canadian dollar

**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

would have decreased our net comprehensive loss in 2021 by approximately \$1,300. The impact of a \$0.10 increase in the value of the Euro against the Canadian dollar would have decreased our net comprehensive loss in 2021 by approximately \$15,000.

We mitigate our foreign exchange risk by maintaining sufficient foreign currencies, through the purchase of foreign currencies or receiving foreign currencies from financing activities, to settle our foreign accounts payable.

Balances in foreign currencies at March 31, 2021 are as follows:

	US dollars \$	British pounds £	Euro €
Cash and cash equivalents	39,026,206	33,880	157,189
Other receivables	87,337	—	—
Accounts payable and other liabilities	(245,004)	(280)	—
Warrant derivative	(188,903)	—	—
	<b>38,679,636</b>	<b>33,600</b>	<b>157,189</b>

**Liquidity risk**

Liquidity risk is the risk that we will encounter difficulty in meeting obligations associated with financial liabilities. We manage liquidity risk through the management of our capital structure as outlined in Note 10. Accounts payable are all due within the current operating period.

**Note 12: Additional Cash Flow Disclosures**

**Net Change In Non-Cash Working Capital**

	2021 \$	2020 \$
<i>Change in:</i>		
Other receivables	<b>(22,004)</b>	1,941,277
Prepaid expenses	<b>(454,530)</b>	(496,722)
Accounts payable and accrued liabilities	<b>113,623</b>	(394,981)
Other liabilities	<b>(123,985)</b>	(134,233)
Non-cash impact of foreign exchange	<b>(109,583)</b>	(215,604)
Change in non-cash working capital related to operating activities	<b>(596,479)</b>	699,737

**Other Cash Flow Disclosures**

	2021 \$	2020 \$
Cash interest received	<b>35,302</b>	84,118

**ONCOLYTICS BIOTECH INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
*(unaudited)*

March 31, 2021

### Note 13: Other Expenses and Adjustments

The following details highlight certain components of the research and development and operating expenses classified by nature. The foreign exchange (loss) gain as presented separately on the face of the consolidated statement of (loss) income and comprehensive (loss) income is also classified as a research and development expense. Remaining research and development and operating expenses include personnel costs and expenses paid to third parties.

	2021 \$	2020 \$
<i>Research and development expenses</i>		
Non-cash share-based compensation	361,603	105,447
<i>Operating expenses</i>		
Depreciation - property and equipment	20,550	23,045
Depreciation - right-of-use-assets	86,184	91,023
Non-cash share-based compensation	296,473	287,358

### Note 14: Related Party Transactions

#### *Compensation of Key Management Personnel*

Key management personnel are those persons having authority and responsibility for planning, directing and controlling our activities as a whole. We have determined that key management personnel consists of the members of the Board of Directors along with certain employees of the Company.

	2021 \$	2020 \$
Short-term employee compensation and benefits	784,631	793,632
Share-based payments	459,293	253,187
	<b>1,243,924</b>	<b>1,046,819</b>

### Note 15: Subsequent Events

Between April 1, 2021 and May 6, 2021, through our March 2021 ATM equity distribution agreement, we issued 1,817,621 common shares for gross proceeds of US\$5,870,301 at an average price of US\$3.23. We received, net of commissions of US\$176,109, proceeds of US\$5,694,191.

## Shareholder Information

For public company filings please go to [www.sedar.com](http://www.sedar.com) or contact us at:

Oncolytics Biotech Inc.  
Suite 210, 1167 Kensington Crescent NW  
Calgary, Alberta, Canada T2N 1X7  
tel: 403.670.7377 fax: 403.283.0858  
[www.oncolyticsbiotech.com](http://www.oncolyticsbiotech.com)

## Officers

**Matt Coffey, PhD, MBA**  
President and Chief Executive Officer

**Kirk Look, CA**  
Chief Financial Officer

**Andrew de Guttadauro**  
President, Oncolytics Biotech (U.S.) Inc.

## Directors

**Deborah M. Brown, MBA, ICD.D**  
Managing Partner, Accelera Canada Ltd.

**Matt Coffey, PhD, MBA**  
President and CEO, Oncolytics Biotech Inc.

**Angela Holtham, MBA, FCPA, FCMA, ICD.D**  
Corporate Director

**Leonard Kruimer, MBA, CPA**  
Corporate Director

**Wayne Pisano**  
Corporate Director

**William G. Rice, PhD**  
Chairman, President and CEO, Aptose Biosciences, Inc.

**Bernd R. Seizinger, MD, PhD**  
Corporate Director



**Oncolytics Biotech Inc.**  
**Suite 210, 1167 Kensington Crescent NW, Calgary, AB T2N 1X7**  
**Phone: (403) 670.7377 Fax: (403) 283.0858**  
**[www.oncolyticsbiotech.com](http://www.oncolyticsbiotech.com)**