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Oncolytics Biotech Inc. (ONCY-NASDAQ)

ONCY: Supply Agreement with Coherus to Evaluate Pelareorep in SCAC with Checkpoint Inhibitor

Based on our probability-adjusted DCF model that takes into account potential future revenues for pelareorep in SCAC, mCRC, and mPDAC, ONCY is valued at $6.00 per share. This model is highly dependent upon the continued clinical success of pelareorep and will be adjusted accordingly based on future results.

Current Price (11/16/26)	$0.37
Valuation	**$6.00**

OUTLOOK

On November 11, 2026, Oncolytics Biotech, Inc. (ONCY) announced a clinical supply agreement with Coherus Oncology, Inc. to evaluate pelareorep in combination with LOQTORZI® (toripalimab-tpzi), a next-generation PD-1 inhibitor, in patients with squamous cell anal carcinoma (SCAC). The study is expected to initiate in 1Q27, with the participating institution to be identified when the study commences. The target population will be patients whose disease has progressed following the current first-line standard of care (chemotherapy + checkpoint inhibitor), a population for which no approved therapies exist. Positive results in only a couple of patients will allow Oncolytics to approach the FDA about moving to a pivotal trial in this population.

SUMMARY DATA

52-Week High	**$1.27**
52-Week Low	**$0.37**
One-Year Return (%)	**-64.42**
Beta	**1.26**
Average Daily Volume (sh)	**975,243**
Shares Outstanding (mil)	**131**
Market Capitalization ($mil)	**$49**
Short Interest Ratio (days)	**1**
Institutional Ownership (%)	**7**
Insider Ownership (%)	**5**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2026 Estimate	**-3.0**
P/E using 2027 Estimate	**-4.0**

Risk Level	**Above Avg.**
Type of Stock	**Small-Value**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2025	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2026	0.0 A	0.0 A	0.0 A	0.0 E	0.0 E
2027					0.0 E
2028					0.0 E

Earnings per Share

	Q1 (Mar)	Q2 (Jun)	Q3 (Sep)	Q4 (Dec)	Year (Dec)
2025	-$0.08 A	-$0.07 A	-$0.14 A	-$0.04 A	-$0.30 A
2026	-$0.08 A	-$0.08 A	-$0.08 A	-$0.07 E	-$0.31 E
2027					-$0.28 E
2028					-$0.25 E

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WHAT'S NEW

Business Update

Clinical Supply Agreement with Coherus for SCAC Trial

On November 11, 2026, Oncolytics Biotech, inc. (ONCY) announced a clinical supply agreement with Coherus Oncology, Inc. in which Coherus will supply LOQTORZI® (torpalimab-tpzi) a next-generation PD-1 inhibitor, for use in a planned clinical study in patients with squamous cell anal carcinoma (SCAC). The study is expected to begin in 1Q27, with the participating institution to be identified when the study commences. The target population will be patients whose disease has progressed following the current first-line standard of care, which combines chemotherapy with checkpoint inhibition. There are currently no approved therapies specifically addressing patients who progress following first-line treatment.

Management provided additional context on the development strategy. Rather than immediately launching a larger controlled trial, Oncolytics will be conducting what was characterized as a 'bridging study', where pelareorep plus LOQTORZI will be evaluated in a relatively small cohort of patients who have progressed following first-line chemotherapy and checkpoint inhibition. The objective is to establish whether the combination can generate encouraging clinical activity in this updated treatment setting and provide the necessary evidence to justify advancement into a larger, controlled study in the same population.

We view this as a logical and potentially important next step for the SCAC program. The clinical landscape has evolved considerably with the introduction of checkpoint inhibition into first-line treatment, and consequently, the population being evaluated in the earlier GOBLET study is not entirely representative of the patients who will now require subsequent-line treatment. In particular, the new study will address a population that has already demonstrated disease progression despite exposure to a checkpoint inhibitor, raising the bar for demonstrating meaningful clinical benefit.

The scientific rationale for combination is compelling. Pelareorep is designed to stimulate innate and adaptive immune responses, promote immune-cell infiltration into tumors, and potentially overcome mechanisms of tumor immune resistance. Combining it with a PD-1 inhibitor could provide complementary immune activation, particularly in HPV-associated tumors that express viral antigens capable of serving as targets for an enhanced immune response. The recently reported translational findings in SCAC provide additional support for this hypothesis, demonstrating expansion of HPV-specific T cell clones and tumor-infiltrating lymphocytes following pelareorep treatment.

Recent Corporate and Clinical Developments

In addition to the Coherus agreement, Oncolytics has announced several important developments over the past few months. Collectively, these updates provide further insight into pelareorep's immunological activity, reinforce the emerging clinical evidence in SCAC, and demonstrate progress across the company's broader development and intellectual property strategy.

Pelareorep in Multiple Myeloma: On November 9, 2026, Oncolytics announced new translational data from its Phase 1b/2 multiple myeloma study, which will be presented at the 68th American Society of Hematology (ASH) Annual Meeting on December 12, 2026. The analysis used single cell sequencing to evaluate the immunological effects of pelareorep in heavily pretreated patients with relapsed/refractory multiple myeloma. The study evaluated bortezomib and dexamethasone with pembrolizumab (Cohort 1) versus the same regimen with the addition of pelareorep (Cohort 2). Patients had received a median of four prior lines of therapy, with a range of three to eleven.

The analysis demonstrated several potentially important biological effects associated with pelareorep treatment. Myeloid cells exhibited enhanced antigen-presenting activity, including decreased CD80 expression and reduced FCGR2B expression, suggesting an improved capacity to stimulate antitumor T cell responses. Multiple myeloma cells also demonstrated increased apoptotic and p53 signaling alongside reduced MYC

pathway activity, suggesting that pelareorep may exert direct effects on tumor cells in addition to its immunomodulatory activity. The study also identified expansion of CD8 effector memory T cells and increased expression of genes associated with T cell activation, antiviral activity, and cytotoxic function. Importantly, patients who experienced clinical responses demonstrated greater expansion of CD8 effector memory cells, accompanied by lower levels of T cell exhaustion and terminal differentiation compared with nonresponders.

HPV-Specific Immune Responses in Anal Cancer Patients: On November 4, 2026, Oncolytics announced additional translational findings from its ongoing Phase 1/2 SCAC study, which showed that pelareorep can stimulate HPV-16-specific T cell responses and increase tumor-infiltrating lymphocytes in patients receiving treatment with a checkpoint inhibitor. The findings were presented at the 2026 Society for Immunotherapy of Cancer (SITC) Annual Meeting and provide further insight into the mechanism underlying the clinical activity previously observed in the GOBLET study.

Of eight evaluable patients, seven demonstrated greater than two-fold increases in immune activation biomarkers CXCL10, interferon-gamma (IFN-γ), and soluble PD-L1 following one treatment cycle. These findings suggest that pelareorep can rapidly stimulate an inflammatory immune response within the tumor microenvironment.

More importantly, among four patients evaluable after three treatment cycles, all demonstrated expansion of tumor-infiltrating lymphocyte clones in peripheral blood. This expansion was associated with reductions in tumor size, including two complete responses and two partial responses. All four responding patients also demonstrated significant expansion of at least one HPV-16-specific T cell clone. Across the broader group of 14 patients evaluate for HPV-16-specific immune responses, six demonstrated clonal expansion, with four of those six experiencing tumor shrinkage.

The company also highlighted that earlier clinical observations from its second-line or later SCAC program demonstrated an objective response rate more than twice that of the currently approved checkpoint inhibitor therapy, along with a 50% improvement in median duration of response. While these are cross-trial comparisons and should be interpreted cautiously, the translational findings offer a potential biological explanation for the observed efficacy signals.

These findings are particularly relevant to the company's HPV-driven cancer strategy. Unlike simply demonstrating nonspecific immune activation, the identification and expansion of HPV-16-specific T cell clones provides evidence that pelareorep may help direct the immune system toward tumor-associated viral antigens.

GOBLET Cohort 4 Shows Encouraging Response Durability and Survival: On October 27, 2026, Oncolytics announced updated clinical data from Cohort 4 of its Phase 1/2 GOBLET study evaluating pelareorep in combination with atezolizumab in patients with second-line or later SCAC. The most notable finding was the mean duration of response (DoR) of approximately 15 months, compared with historical results of approximately 9.5 months for retifanlimab monotherapy (Rao *et al.*, 2020), the FDA-approved checkpoint inhibitor in this setting. While median overall survival had not yet been reached at the time of the update, all patients who achieved a response to treatment survived beyond 12 months, with multiple patients surviving beyond 24 months. The durability of responses is particularly noteworthy given the advanced disease setting and the limited treatment options available to patients who progress on first-line therapy.

We view these updated DoR and survival observations as the most encouraging clinical data generated to date for pelareorep in SCAC. The approximately 15-month median DoR compares very well with the historical 9.5-month benchmark for retifanlimab monotherapy and suggests that the addition of pelareorep may contribute to more durable responses.

GOBLET Study Update and Final PanCAN Grant Payment: On October 14, 2026, Oncolytics provided an update on the status of the Phase 1/2 GOBLET study, noting enrollment had been completed earlier in 2026 and that patients remained on treatment and in follow-up in two cohorts, including Cohort 5 that is evaluating pelareorep-based combinations with chemotherapy, with or without atezolizumab, in first-line metastatic pancreatic ductal adenocarcinoma (PDAC).

The company expects to report initial Cohort 5 results in the first half of 2027, although those data could take longer to mature as several patients remained on treatment and continued in follow-up. Oncolytics also noted that the anticipated final payment under the company's grant from the Pancreatic Cancer Action Network (PanCAN) was expected later in 4Q26, which was received on Nov. 13, 2026. This marks the successful completion of an important phase of the externally supported pancreatic cancer program.

The completion of enrollment in the GOBLET study is an important transition for Oncolytics as it begins shifting resources and clinical development efforts toward more focused studies informed by the data generated across the program. The Cohort 5 data will provide an opportunity to further evaluate pelareorep in pancreatic cancer, although the timing and interpretation of the data will depend on continued patient follow-up. Of note, each cohort enrolling the required number of patients met its prespecified efficacy success criteria, which is an encouraging observation that supports the continued investigation of pelareorep across gastrointestinal malignancies.

Intellectual Property Expansion: On October 12, 2026, Oncolytics provided an update on its intellectual property strategy, highlighting the issuance of a new method-of-use patent covering pelareorep as an immunotherapy for cancer in several countries, with corresponding U.S. issuance expected in the near term. The new patent builds upon the company's existing manufacturing patent protection through 2044 and is intended to extend protection for certain therapeutic applications into the late 2040's.

The company also disclosed that is has three patent application families pending, including two method-of-use applications covering certain combinations involving immunotherapies and targeted therapies. Oncolytics expects to convert one of these applications into a U.S. Track One prioritized examination application during 4Q26. This application is directed toward the use of pelareorep as a therapy that induces immunologic responses. Track One provides expedited examination, with the goal of reaching a final disposition within approximately 12 months after prioritized status is granted, although this does not guarantee patent issuance.

Oncolytics also disclosed that is working with an academic partner to develop a modified "next-generation" pelareorep, which the company believes could potentially provide enhanced efficacy and support a new composition of matter patent application. If successfully secured, this could provide an additional layer of intellectual property protection, potentially extending up to 20 years from the applicable filing date.

Accelerating Enrollment in REO 033 CRC Study: In September 2026, Oncolytics announced the continued progress in REO 033, the randomized study evaluating pelareorep in combination with FOLFIRI and bevacizumab versus FOLFIRI and bevacizumab alone in patients with second-line RAS-mutant, microsatellite-stable metastatic colorectal cancer (mCRC). The company indicated that essentially all planned clinical sites had been activated and that multiple patients were already enrolled.

Part A of the study is designed to enroll approximately 60 patients randomized between the two treatment arms, with objective response rate (ORR) as the primary endpoint and progression-free survival (PFS), overall survival (OS), safety, and biomarker analyses as additional endpoints. Interim clinical data could be reported by year-end 2026.

The company recently aligned with the FDA on the concept for a potential pivotal Part B expansion of REO 033. Under the proposed regulatory strategy, Part B could build upon the randomized study and potentially support an accelerated approval submission based on ORR, with PFS providing evidence to support full approval, subject to final regulatory agreement and study design.

Financial Update

On November 123, 2026, Oncolytics filed form 10-Q with financial results for the third quarter of 2026. As expected, the company did not report any revenues in the third quarter of 2026. R&D expenses in the third quarter of 2026 were $5.2 million compared to $5.1 million in the third quarter of 2025. The increase was primarily due to increased clinical trial and personnel-related expenses partially offset by decreased manufacturing and related process development expenses. G&A expenses in the third quarter of 2026 were $4.6 million compared to $4.5 million in the third quarter of 2025. The increase was primarily due to increased personnel-related expenses partially offset by decreased public company-related expenses.

As of September 30, 2026, Oncolytics had approximately $2.4 million in cash and cash equivalents. Subsequent to the end of the quarter, the company sold approximately 3.6 million common shares pursuant to an Open Market Sale Agreement signed in April 2026 with Jefferies LLC for net proceeds of approximately $1.7 million. In addition, on November 13, 2026 the company received the final payment of $1.175 million from PanCAN. As of November 13, 2026, Oncolytics had approximately 136.1 million shares outstanding and, when factoring in stock options, warrants, and restricted shares, a fully diluted share count of 167.1 million.

Conclusion

The agreement with Coherus is an important step for Oncolytics as it looks to establish a clear clinical development pathway in an SCAC population with substantial unmet medical need. We look forward to the initiation of this study and note that if meaningful activity is observed, it will strengthen the rationale for advancing pelareorep toward a registration study in SCAC along with providing a solid foundation for evaluating the combination in other HPV-driven cancers, including head and neck cancers. With no changes to our model, our valuation remains at $6 per share.

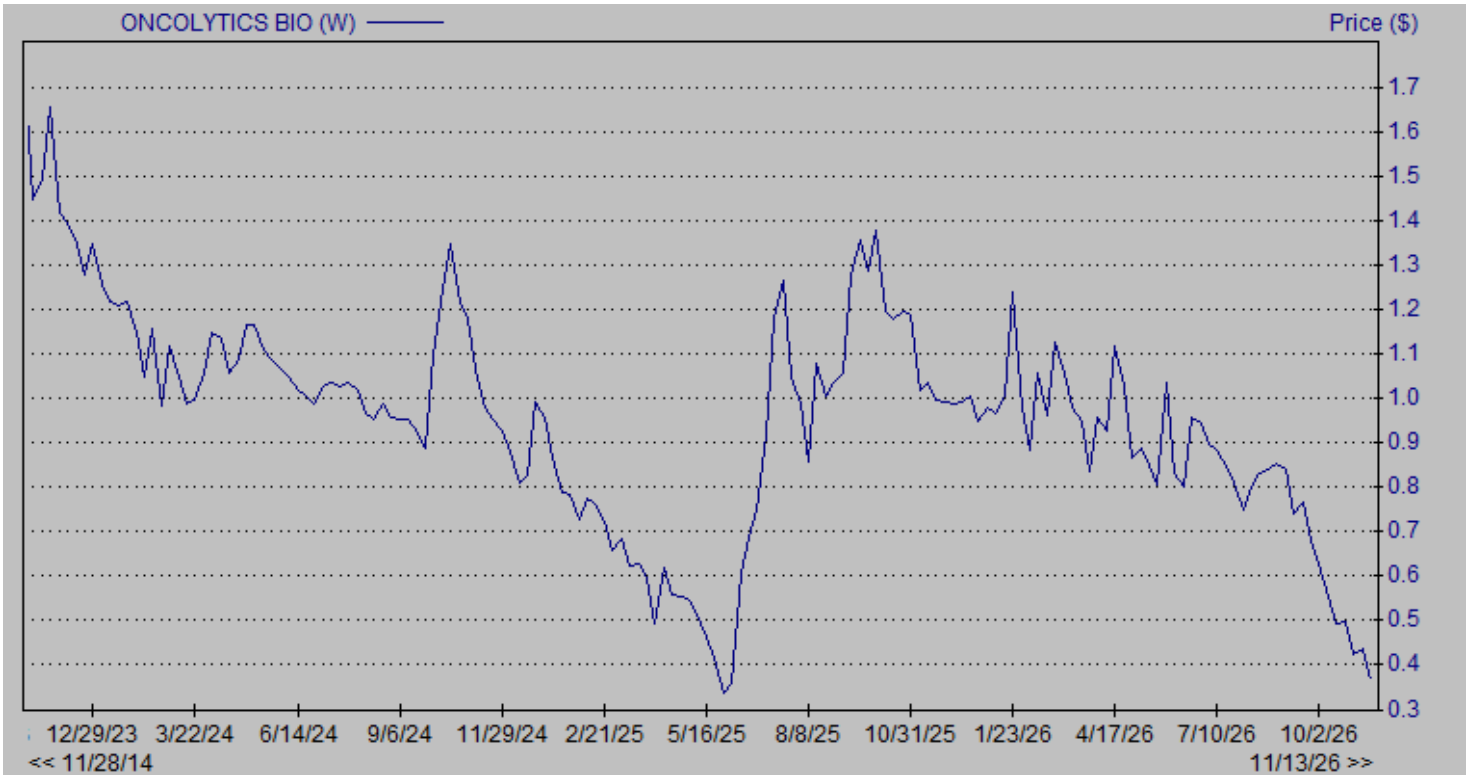
PROJECTED FINANCIALS

Oncolytics Biotech, Inc.	2025 A	1Q A	2Q A	3Q A	4Q E	2026 E	2027 E	2028 E
SCAC	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
mCRC	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
mPDAC	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Grants & Collaborative Revenue	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Revenues	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Research & Development	$13.3	$4.6	$4.3	$5.2	$5.0	$19.0	$22.0	$25.0
General & Administrative	$15.4	$4.7	$5.1	$4.6	$4.8	$19.2	$20.0	$21.0
Other Expenses	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Income	($28.7)	($9.3)	($9.4)	($9.7)	($9.8)	($38.2)	($42.0)	($46.0)
Non-Operating Expenses (Net)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.1	$0.0	$1.0
Pre-Tax Income	($28.7)	($9.2)	($9.3)	($9.7)	($9.8)	($38.1)	($42.0)	($45.0)
Income Tax Recovery	($0.1)	$0.0	($0.1)	$0.0	$0.0	($0.1)	$0.0	$1.0
Net Income	**($28.8)**	**($9.2)**	**($9.4)**	**($9.7)**	**($9.8)**	**($38.2)**	**($42.0)**	**($44.0)**
Translation Adjustments	($0.1)	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$1.0
Total Comprehensive Gain/Loss	**($28.90)**	**($9.24)**	**($9.44)**	**($9.70)**	**($9.80)**	**($38.18)**	**($42.00)**	**($43.00)**
Net Loss per Share	**($0.30)**	**($0.08)**	**($0.08)**	**($0.08)**	**($0.07)**	**($0.31)**	**($0.28)**	**($0.25)**
Basic Shares Outstanding	95.9	112.3	119.7	127.9	140.0	125.0	150.0	175.0

Source: Zacks Investment Research, Inc. *David Bautz, PhD*

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HISTORICAL STOCK PRICE



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