



January 28, 2015

## Ocular Therapeutix, Inc.

### Adding dry eye optionality into our valuation

**Our view:** Though the relentless climb up for OCUL shares necessitates pipeline to fire on all cylinders in 2015, two things deserve noting: 1) pipeline has multi-product optionality (6 visible now), and 2) partnership for OCUL's sustained delivery technology platform is also likely. Ideally, at least two of the clinical programs will be successful or a partnership materializes for the shares to keep moving higher.

#### Key points:

**Phase III data from OTX-DP for eye pain/ inflammation expected in 1Q:15.** Phase II data showed a stat sig reduction in pain at day 8 and absence in cells in the anterior chamber at day 14. The primary endpoints for the Phase III are reduction of pain at day 8 and absence of cells in the anterior chamber at day 14. Hence, expectations around the upcoming Phase III data are positive. The key advantage is freeing patients of multiple daily eye drops for up to 4 weeks since the OTX-DP punctum plug lasts through and doses up to 30 days. If data are positive, approval could come as soon as 2016.

**Phase II data from OTX-TP for glaucoma in 3Q/ 4Q:15.** While a 2-month punctum plug increases compliance and convenience and could be commercially feasible, a 3-month or longer plug would be better as potential competitors such as AGN are planning a 4-6 month acting bimatoprost. Given the different delivery modes, the convenience and safety advantage could remain in OCUL's court.

**Phase II data from OTX-DP for dry eye possibly in 4Q:15/ 1Q:16.** Although OCUL is selecting for more difficult to treat patients, since the Phase II compares OTX-DP to placebo, chances of the trial working should be high. The objective is to identify an endpoint and path forward with the FDA. Given the upside optionality inherent in a dry eye candidate, we are now including \$4 per share in value for this program with a modest probability of success of 40% assigned.

**Anti-VEGF intravitreal hydrogel depot (IHPD) update possible in 2015 as well.** Another high-risk high-return project is the ability to deliver an anti-VEGF over the course of multiple months. Should this be feasible, it is likely to lead to a partnership with one or more of the 5+ biopharma players who could be seeking such ability.

**Partnering and take-out potential remains high, in our view.** What sets OCUL apart are multiple ongoing programs including high potential dry eye, glaucoma, and anti-VEGF studies that if successful could add value rapidly. Tailwinds are favorable as ophthalmology is attractive with multiple companies seeking new products and competitive advantages.

RBC Capital Markets, LLC

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### Outperform

#### Speculative Risk

NASDAQ: OCUL; USD 28.83

Price Target USD 35.00 ↑ 31.00

#### WHAT'S INSIDE

<input type="checkbox"/> Rating/Risk Change	<input checked="" type="checkbox"/> Price Target Change
<input type="checkbox"/> In-Depth Report	<input checked="" type="checkbox"/> Est. Change
<input type="checkbox"/> Preview	<input type="checkbox"/> News Analysis

#### Scenario Analysis\*

Downside Scenario	Current Price	Price Target	Upside Scenario
10.00 ↓ 65%	28.83	35.00 ↑ 21%	50.00 ↑ 73%

\*Implied Total Returns

#### Key Statistics

Shares O/S (MM):	21.2	Market Cap (MM):	611
Dividend:	0.00	Yield:	0.0%
		Avg. Daily Volume:	80,660

#### RBC Estimates

FY Dec	2013A	2014E	2015E
Revenue	0.0	0.5	2.3
EPS, Ops Diluted	(5.10)	(2.68)	(1.86)
Prev.			(1.76)
P/E	NM	NM	NM

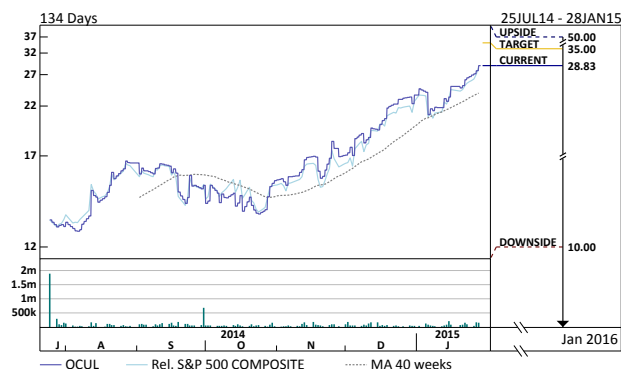
Revenue	Q1	Q2	Q3	Q4
2014	0.0A	0.1A	0.1A	0.2E
2015	0.3E	0.5E	0.7E	0.9E
EPS, Ops Diluted				
2014	(2.45)A	(2.10)A	(0.48)A	(0.36)E
2015	(0.39)E	(0.45)E	(0.49)E	(0.52)E
Prev.	(0.37)E	(0.43)E	(0.46)E	(0.49)E

All values in USD unless otherwise noted.



## Target/Upside/Downside Scenarios

Exhibit 1: Ocular Therapeutix, Inc.



Source: Bloomberg and RBC Capital Markets estimates for Upside/Downside/Target

## Target price/base case

We value OCUL at \$35 (prev. \$31), which includes US and EU sales with a probability of success of 85% to ReSure (~\$5/share), 75% to OTX-DP inflammation (~\$3/share), 60% to OTX-DP allergy (~\$2/share), 40% to OTX-DP dry eye (~\$4/share), 60% to OTX-TP glaucoma for (~\$19/share) and 15% to Anti-VEGF hydrogel (~\$2/share). We forecast US and ex-US combined peak sales of ReSure, OTX-DP inflammation, OTX-DP allergic conjunctivitis, OTX-DP dry eye, OTX-TP glaucoma, and anti-VEGF hydrogel at ~\$5B and ~\$1.3B, respectively.

## Upside scenario

Our upside scenario at \$50 per share (prev. \$45) includes US and EU sales with a probability of regulatory and commercial success of 75% to ReSure (~\$6/share), 65% to OTX-DP inflammation (~\$6/share), 50% to OTX-DP allergy (~\$3/share), 20% to OTX-DP dry eye (~\$5/share), 45% to OTX-TP glaucoma for (~\$23/share), and 45% to anti-VEGF hydrogel (~\$7/share). We forecast US and ex-US combined peak sales of ReSure, OTX-DP inflammation, OTX-DP allergic conjunctivitis, OTX-DP dry eye, OTX-TP glaucoma, and anti-VEGF hydrogel at ~\$6B+ and ~\$2B+, respectively.

## Downside scenario

Our downside scenario at \$10 per share includes US and EU sales with a probability of success of 85% to ReSure (~\$2/share), 80% to OTX-DP inflammation (~\$2 share), 70% to OTX-DP allergy (~\$1 share), and 65% to OTX-TP glaucoma for (~\$9 share). We forecast US and ex-US combined product peak sales at ~\$900MM and ~\$600MM, respectively. The value of OTX-DP inflammation is negative because the product is launched first and it is assumed that their sales ramps alone are not high enough to support the R&D and SG&A infrastructure profitably.

## Investment summary

We believe OCUL shares offer the potential for upside as the hydrogel, sustained technology platform lowers clinical and development risk, allows multiple shots at success and the pipeline to be diversified, and increases the chances of a candidate making it through the clinic and onto the market. OTX-DP is in Phase III studies for inflammation and pain, and in Phase II studies for allergic conjunctivitis and dry eye. OTX-TP is in a Phase IIb study for glaucoma, having posted promising Phase IIa, and earlier stage compounds represent upside optionality. Results from these studies are expected in 2015 and 2016, assuming progress going forward through 2017. Target markets represent millions of patients worldwide, and we forecast peak sales of OCUL's products totaling ~\$6B.

OCUL owns 100% of the rights to its pipeline, and patent protection extends into 2030, meaning the company is free to commercialize itself, partner, or to be acquired. Because ophthalmology remains an attractive therapeutic area and OCUL's product candidates have potential for improved dosing, convenience as well as safety advantages, progress through clinical and regulatory milestones, and any partnerships could be value-enhancing.

## Potential Catalysts for OCUL Shares

- **Phase III data for OTX-DP inflammation and pain in 1Q:15.** Positive data could lead to an NDA and MAA.
- **Phase IIb data for OTX-TP in 3Q:15.** Potential to show efficacy and 3-month plug retention for glaucoma.
- **Potential partnership for OTX-DP and OTX-DP.** OCUL has the rights to both products, and a partnership is possible.
- **Potential OTX-DP approvals and launches in 2016/ 2017 in the US and EU.**
- **ReSure sales** could be higher than expectation.

## Potential Risks for OCUL Shares

- **Pivotal Phase III and earlier stage studies could fail.** Phase II and Phase III data for OTX-DP are expected in 2014-2017 and one or more products could fail.
- **Sales ramp of punctum plug technology could be slow** as clinicians fail to adopt, payers put up hurdles for reimbursing branded drugs, and cheaper generics hamper market penetration.
- **Sales of ReSure Sealant could lag sales expectations** as surgeons maintain current practices.
- **OCUL could fail to find a partner** for product commercialization outside the US.
- **Other sustained release technologies could preempt OCUL's platform**, thereby leading to a move away from hydrogel based products.



### Exhibit 2: News flow

Timing	Expected News Flow	Program
1Q:15	Potential feasibility data	IHD-VEGF
1Q:15	Phase III results in post cataract inflammation and pain	OTX-DP
2Q:15	Submit NDA/ MAA for post cataract inflammation and pain	OTX-DP
1H:15	Initiate pivotal, Phase II/ III in allergic conjunctivitis	OTX-DP
1H:15	Go/ no-go Phase III decision in allergic conjunctivitis	OTX-DP
3Q:15	Phase IIb data in glaucoma	OTX-TP
4Q:15	Initiate Phase III study in glaucoma	OTX-TP
4Q:15/ 1Q:16	Potential Phase II data in dry eye	OTX-DP
2015	Update on clinical program	IHD-VEGF
2015	Potential pipeline update on additional programs	
2015	Potential partnership(s) or business development	
1H:16	Phase III results in allergic conjunctivitis	OTX-DP
2Q/ 3Q:16	File NDA/ MAA in allergic conjunctivitis	OTX-DP
1H:16	Potential NDA approval for post cataract inflammation and pain	OTX-DP
3Q/ 4Q:17	Potential NDA approval for allergic conjunctivitis	OTX-DP
4Q:16/ 1H:17	Phase III results in glaucoma	OTX-TP
2H:17	File NDA/ MAA in glaucoma	OTX-TP
2H:18	Potential NDA approval for glaucoma	OTX-TP

Source: Company reports and RBC Capital Markets estimates

### Exhibit 3: Pipeline

Product	Mechanism	Stage	Indication
ReSure	Ocular sealant	FDA approved	Sealant post cataract surgery
OTX-DP	Dexamethasone plug	Phase III	Post-cataract surgery for inflammation and pain
OTX-DP	Dexamethasone plug	Phase II	Allergic conjunctivitis
OTX-DP	Dexamethasone plug	Phase II	Dry eye
OTX-TP	Travoprost plug	Phase II	Glaucoma
OTX-MP	Moxifloxacin plug	Phase I	Bacterial conjunctivitis
Intravitreal Hydrogel Depot	Sustained release anti-VEGF depot	Pre-clinical	Wet AMD/ RVO/ DME

Source: Company reports



## Valuation

We arrive at our \$35 price target (prev. \$31) using a sum-of-the parts analysis for OCUL shares. The primary components of our valuation include OCUL's ReSure sealant, OTX-DP for inflammation, OTX-DP for allergy, OTX-DP for dry eye, anti-VEGF hydrogel, and OTX-TP for glaucoma product sales in the US and royalty revenues from sales in ROW. Our base, upside and downside scenarios use a discount rate of 15% to reflect potential clinical and commercial risk and assign a probability of success of the clinical and commercial roll out of ReSure, OTX-DP for inflammation, OTX-DP for allergic conjunctivitis, and OTX-TP for glaucoma.

## Price target impediments

Our price target is dependent on the clinical, regulatory and commercial success of the ReSure sealant, OTX-DP inflammation, OTX-DP allergy, OTX-DP dry eye, anti-VEGF hydrogel, and OTX-TP glaucoma. A Phase IIIb study for OTX-DP inflammation has been initiated and data is expected in 1Q:15. The phase IIa clinical trial for OTX-TP has been completed and a Phase IIb clinical trial in OTX-TP is expected in 2Q:15. Failure to demonstrate efficacy or safety in any of these studies would be a significant setback. Furthermore, any setbacks in regulatory approvals in the US or EU, delay in launch, failure to secure a partnership outside the US, increased competition or other limitations to the market potential of these products either due to better efficacy and/or safety outcomes or pricing pressure due to the availability of generic drugs for glaucoma, could negatively affect our valuation.

## Company description

Ocular Therapeutix (OCUL) is developing sustained-release drugs that target ophthalmic disorders by using its proprietary hydrogel technology as a platform. The approach has low clinical and regulatory risks as the drugs OCUL is encapsulating within its proprietary microspheres are either off-patent or about to go off-patent. Since OCUL is able to turn a number of already approved drugs typically administered as eye drops into sustained-release, long-acting products, the hydrogel technology also represents a leverageable platform and a lower risk approach for creating multiple product candidates. OCUL also markets ReSure Sealant, which was recently approved for sealing corneal incisions after cataract surgery. OTX-DP for the treatment of post-surgical ocular inflammation and pain is in Phase III trials. Product candidates undergoing Phase II testing include OTX-DP for allergic conjunctivitis and OTX-TP for glaucoma.



Ocular Therapeutix  
Income Statement

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(\$ in millions, except per share) Fiscal Year Ends December	2012A	2013A	1Q:14A	2Q:14A	3Q:14A	4Q:14E	2014E	1Q:15E	2Q:15E	3Q:15E	4Q:15E	2015E	2016E	2017E	2018E	2019E	2020E	2021E	2022E	2023E
<b>Revenue</b>																				
ReSure	-	-	-	0.1	0.1	0.2	0.4	0.3	0.5	0.7	0.9	2.3	10.8	20.6	39.0	58.2	68.8	76.5	87.8	96.2
OTX-DP Inflammation	-	-	-	-	-	-	-	-	-	-	-	-	1.5	17.9	30.4	46.5	63.2	80.6	95.9	111.7
OTX-DP allergy	-	-	-	-	-	-	-	-	-	-	-	-	-	1.9	9.8	16.5	26.6	43.7	54.3	68.5
OTX-DP dry eye	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	23.4	59.8	97.5	136.8
OTX-TP glaucoma	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2.7	14.4	91.7	194.3	308.6	435.7
ROW Royalties	-	-	-	-	-	-	-	-	-	-	-	-	-	0.3	2.8	7.3	14.1	34.5	59.1	81.5
<b>Total Revenue</b>	<b>0.0</b>	<b>-</b>	<b>0.0</b>	<b>0.1</b>	<b>0.1</b>	<b>0.2</b>	<b>0.5</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>	<b>0.9</b>	<b>2.3</b>	<b>12.3</b>	<b>40.7</b>	<b>84.8</b>	<b>142.9</b>	<b>287.8</b>	<b>489.3</b>	<b>703.1</b>	<b>930.4</b>
<b>Operating expenses</b>																				
Royalty expense	-	-	-	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.5	1.6	3.3	5.4	10.0	15.8	21.9	28.5
COGS	0.0	-	0.0	0.0	0.0	0.0	0.1	0.0	0.1	0.1	0.1	0.3	1.8	6.1	12.3	20.3	41.1	68.2	96.6	127.3
R&D	11.5	10.5	5.0	4.3	4.5	5.3	19.0	6.0	6.5	7.0	7.5	27.0	35.0	40.0	50.0	52.5	55.0	57.5	60.0	62.5
SG&A	2.1	2.4	1.9	1.7	2.4	2.5	8.5	2.6	3.6	4.1	4.6	14.9	38.0	52.5	65.0	70.0	75.0	80.0	140.6	186.1
<b>Total operating expenses</b>	<b>13.7</b>	<b>12.9</b>	<b>6.9</b>	<b>6.0</b>	<b>6.9</b>	<b>7.8</b>	<b>27.6</b>	<b>8.7</b>	<b>10.2</b>	<b>11.2</b>	<b>12.3</b>	<b>42.3</b>	<b>75.3</b>	<b>100.2</b>	<b>130.6</b>	<b>148.3</b>	<b>181.1</b>	<b>221.5</b>	<b>319.1</b>	<b>404.4</b>
<b>Operating Income (Loss)</b>	<b>(13.7)</b>	<b>(12.9)</b>	<b>(6.8)</b>	<b>(5.9)</b>	<b>(6.8)</b>	<b>(7.6)</b>	<b>(27.1)</b>	<b>(8.4)</b>	<b>(9.7)</b>	<b>(10.6)</b>	<b>(11.4)</b>	<b>(40.1)</b>	<b>(63.0)</b>	<b>(59.5)</b>	<b>(45.8)</b>	<b>(5.3)</b>	<b>106.7</b>	<b>267.8</b>	<b>384.0</b>	<b>526.0</b>
Interest income	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.2	0.2	0.2	0.2
Interest expense	(0.4)	(0.4)	(0.0)	(0.3)	(0.4)	(0.1)	(0.8)	(0.1)	(0.1)	(0.1)	(0.1)	(0.2)	(0.2)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)	(0.5)
Other income (expense)	(0.0)	0.0	(0.1)	(0.2)	(0.1)	(0.1)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)	(0.4)
<b>Total other income</b>	<b>(0.4)</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(0.5)</b>	<b>(0.5)</b>	<b>(0.1)</b>	<b>(1.3)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.1)</b>	<b>(0.6)</b>	<b>(0.5)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.8)</b>	<b>(0.7)</b>	<b>(0.7)</b>	<b>(0.7)</b>
<b>Pretax Income</b>	<b>(14.1)</b>	<b>(13.3)</b>	<b>(7.0)</b>	<b>(6.4)</b>	<b>(7.3)</b>	<b>(7.7)</b>	<b>(28.4)</b>	<b>(8.5)</b>	<b>(9.9)</b>	<b>(10.7)</b>	<b>(11.5)</b>	<b>(40.6)</b>	<b>(63.6)</b>	<b>(60.3)</b>	<b>(46.6)</b>	<b>(6.1)</b>	<b>105.9</b>	<b>267.0</b>	<b>383.3</b>	<b>525.3</b>
Income tax expense	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	37.1	93.5	134.2	183.9
<b>Net income (loss)</b>	<b>(14.1)</b>	<b>(13.3)</b>	<b>(7.0)</b>	<b>(6.4)</b>	<b>(7.3)</b>	<b>(7.7)</b>	<b>(28.4)</b>	<b>(8.5)</b>	<b>(9.9)</b>	<b>(10.7)</b>	<b>(11.5)</b>	<b>(40.6)</b>	<b>(63.6)</b>	<b>(60.3)</b>	<b>(46.6)</b>	<b>(6.1)</b>	<b>68.9</b>	<b>173.6</b>	<b>249.1</b>	<b>341.5</b>
<b>EPS - Basic (GAAP)</b>	<b>(\$5.59)</b>	<b>(\$5.10)</b>	<b>(\$2.45)</b>	<b>(\$2.10)</b>	<b>(\$0.48)</b>	<b>(\$0.36)</b>	<b>(\$2.68)</b>	<b>(\$0.39)</b>	<b>(\$0.45)</b>	<b>(\$0.49)</b>	<b>(\$0.52)</b>	<b>(\$1.86)</b>	<b>(\$2.33)</b>	<b>(\$2.19)</b>	<b>(\$1.38)</b>	<b>(\$0.18)</b>	<b>\$1.99</b>	<b>\$4.98</b>	<b>\$7.07</b>	<b>\$9.60</b>
<b>EPS - Diluted (GAAP)</b>	<b>(\$5.59)</b>	<b>(\$5.10)</b>	<b>(\$2.45)</b>	<b>(\$2.10)</b>	<b>(\$0.48)</b>	<b>(\$0.36)</b>	<b>(\$2.68)</b>	<b>(\$0.39)</b>	<b>(\$0.45)</b>	<b>(\$0.49)</b>	<b>(\$0.52)</b>	<b>(\$1.86)</b>	<b>(\$2.33)</b>	<b>(\$2.19)</b>	<b>(\$1.38)</b>	<b>(\$0.18)</b>	<b>\$1.83</b>	<b>\$4.54</b>	<b>\$6.40</b>	<b>\$8.61</b>
Shares (basic)	2.5	2.6	2.9	3.0	15.2	21.3	10.6	21.5	21.8	22.0	22.2	21.9	27.3	27.6	33.8	34.2	34.5	34.9	35.2	35.6
Shares (diluted)	13.5	14.6	15.3	15.5	16.9	23.1	12.4	23.4	23.6	23.9	24.2	23.8	29.5	29.9	36.4	37.0	37.6	38.3	38.9	39.7
<b>Operations Ratios</b>	<b>2012A</b>	<b>2013A</b>	<b>1Q:14A</b>	<b>2Q:14A</b>	<b>3Q:14A</b>	<b>4Q:14E</b>	<b>2014E</b>	<b>1Q:15E</b>	<b>2Q:15E</b>	<b>3Q:15E</b>	<b>4Q:15E</b>	<b>2015E</b>	<b>2016E</b>	<b>2017E</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
<b>Margin Analysis</b>																				
COGS	-	-	-	21%	22%	15%	21%	15%	15%	15%	15%	15%	15%	15%	15%	15%	16%	17%	18%	18%
R&D	-	-	-	4425%	3134%	2582%	4034%	2000%	1444%	1077%	868%	1192%	285%	98%	59%	37%	19%	12%	9%	7%
SG&A	-	-	6981%	1785%	1682%	1215%	1805%	867%	800%	631%	532%	658%	309%	129%	77%	49%	26%	16%	20%	20%
Operating Margin	-	-	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	37%	55%	55%	57%
Income Tax rate	-	-	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	35%	35%	35%	35%
Net Margin	-	-	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	24%	35%	35%	37%
<b>Balance Sheet</b>	<b>2012A</b>	<b>2013A</b>	<b>1Q:14A</b>	<b>2Q:14A</b>	<b>3Q:14A</b>	<b>4Q:14E</b>	<b>2014E</b>	<b>1Q:15E</b>	<b>2Q:15E</b>	<b>3Q:15E</b>	<b>4Q:15E</b>	<b>2015E</b>	<b>2016E</b>	<b>2017E</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
<b>Assets:</b>																				
Total current assets	24.3	18.0	13.8	20.7	80.5	73.4	73.4	65.8	57.1	47.6	37.2	37.2	154.4	125.6	280.7	277.6	350.9	529.6	789.0	1139.7
Net Property, Plant & Equip	0.8	0.9	1.0	1.3	1.5	1.6	1.6	1.8	1.9	2.0	2.1	2.1	3.0	4.0	4.9	5.9	6.8	7.8	8.7	9.7
<b>Total</b>	<b>25.3</b>	<b>19.1</b>	<b>15.1</b>	<b>22.2</b>	<b>82.2</b>	<b>75.3</b>	<b>75.3</b>	<b>67.8</b>	<b>59.2</b>	<b>49.8</b>	<b>39.6</b>	<b>39.6</b>	<b>157.7</b>	<b>129.8</b>	<b>285.8</b>	<b>283.7</b>	<b>358.0</b>	<b>537.6</b>	<b>798.0</b>	<b>1149.6</b>
<b>Current liabilities:</b>																				
Total current liabilities	3.5	3.3	2.1	2.0	2.3	2.6	2.6	3.1	3.8	4.6	5.5	5.5	21.9	58.6	61.8	63.8	67.2	71.2	80.5	88.6
Total liabilities	6.1	4.3	4.3	4.2	4.5	4.9	4.9	5.3	6.1	6.9	7.7	7.7	24.2	60.9	64.1	66.1	69.4	73.5	82.7	90.9
Total stockholders' deficit	19.2	14.9	10.8	17.9	77.7	70.5	70.5	62.5	53.1	42.9	31.8	31.8	133.5	68.9	221.7	217.7	288.5	464.1	715.3	1058.7
<b>Total</b>	<b>25.3</b>	<b>19.1</b>	<b>15.1</b>	<b>22.2</b>	<b>82.2</b>	<b>75.3</b>	<b>75.3</b>	<b>67.8</b>	<b>59.2</b>	<b>49.8</b>	<b>39.6</b>	<b>39.6</b>	<b>157.7</b>	<b>129.8</b>	<b>285.8</b>	<b>283.7</b>	<b>358.0</b>	<b>537.6</b>	<b>798.0</b>	<b>1149.6</b>
<b>Cash Flow Statement</b>	<b>2012A</b>	<b>2013A</b>	<b>1Q:14A</b>	<b>2Q:14A</b>	<b>3Q:14A</b>	<b>4Q:14E</b>	<b>2014E</b>	<b>1Q:15E</b>	<b>2Q:15E</b>	<b>3Q:15E</b>	<b>4Q:15E</b>	<b>2015E</b>	<b>2016E</b>	<b>2017E</b>	<b>2018E</b>	<b>2019E</b>	<b>2020E</b>	<b>2021E</b>	<b>2022E</b>	<b>2023E</b>
<b>Net cash used in operating act.</b>	<b>(12.6)</b>	<b>(12.6)</b>	<b>(4.0)</b>	<b>(5.9)</b>	<b>(6.4)</b>	<b>(6.8)</b>	<b>(23.1)</b>	<b>(7.6)</b>	<b>(8.8)</b>	<b>(9.7)</b>	<b>(10.5)</b>	<b>(36.6)</b>	<b>(53.9)</b>	<b>(52.3)</b>	<b>(79.6)</b>	<b>(52.6)</b>	<b>(52.0)</b>	<b>3.8</b>	<b>73.8</b>	<b>153.2</b>
<b>Net cash used in investing activities</b>	<b>3.8</b>	<b>(0.4)</b>	<b>(0.3)</b>	<b>(0.3)</b>	<b>(0.4)</b>	<b>(0.2)</b>	<b>(1.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.2)</b>	<b>(0.9)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.4)</b>	<b>(1.4)</b>
Proceeds from common stock	-	-	-	-	66.5	-	66.5	-	-	-	-	-	163.2	-	197.5	-	-	-	-	-
<b>Net cash provided by financing activities</b>	<b>27.3</b>	<b>6.7</b>	<b>(0.4)</b>	<b>13.1</b>	<b>66.5</b>	<b>-</b>	<b>79.2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>163.2</b>	<b>-</b>	<b>197.5</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net increase (decrease) in cash	<b>18.5</b>	<b>(6.3)</b>	<b>(4.8)</b>	<b>6.9</b>	<b>59.8</b>	<b>(7.1)</b>	<b>54.9</b>	<b>(7.8)</b>	<b>(9.0)</b>	<b>(9.9)</b>	<b>(10.7)</b>	<b>(37.5)</b>	<b>108.0</b>	<b>(53.7)</b>	<b>116.5</b>	<b>(53.9)</b>	<b>(53.4)</b>	<b>2.4</b>	<b>72.4</b>	<b>151.8</b>
Cash, beginning of period	<b>5.3</b>	<b>23.9</b>	<b>17.5</b>	<b>12.8</b>	<b>19.6</b>	<b>79.4</b>	<b>17.5</b>	<b>72.4</b>	<b>64.5</b>	<b>55.5</b>	<b>45.6</b>	<b>72.4</b>	<b>34.9</b>	<b>142.9</b>	<b>89.2</b>	<b>205.7</b>	<b>151.8</b>	<b>98.4</b>	<b>100.9</b>	<b>173.3</b>
<b>Cash, end of period</b>	<b>23.9</b>	<b>17.5</b>	<b>12.8</b>	<b>19.6</b>	<b>79.4</b>	<b>72.4</b>	<b>72.4</b>	<b>64.5</b>	<b>55.5</b>	<b>45.6</b>	<b>34.9</b>	<b>34.9</b>	<b>142.9</b>	<b>89.2</b>	<b>205.7</b>	<b>151.8</b>	<b>98.4</b>	<b>100.9</b>	<b>173.3</b>	<b>325.1</b>

Source: Company reports, RBC Capital Markets estimates



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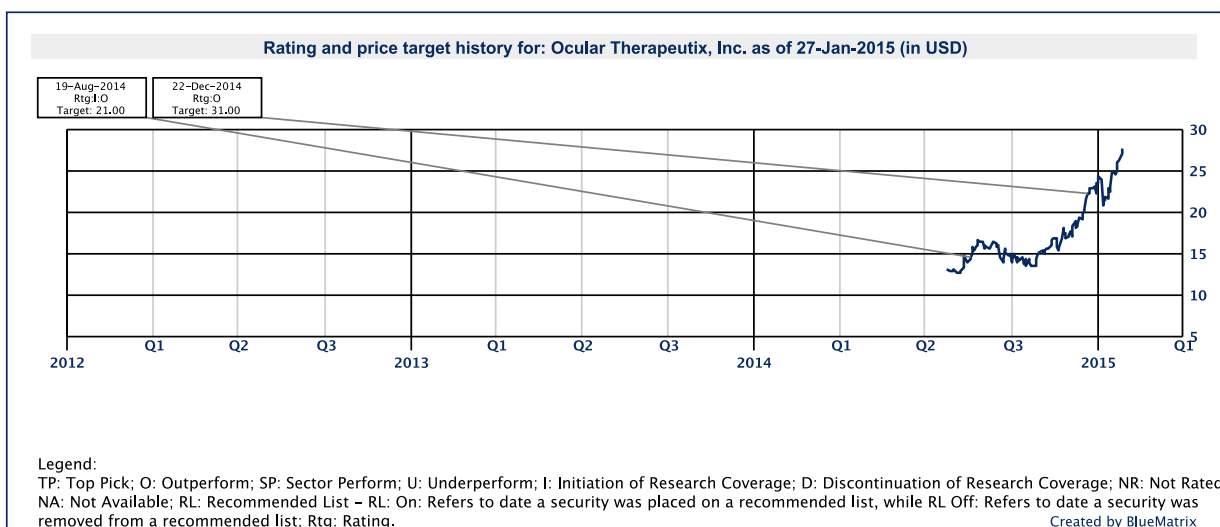
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			Count	Percent
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