

Message

From: Danise Yam [/O=THERANOS ORGANIZATION/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=DYAM]
Sent: 2/16/2014 11:47:20 PM
To: Elizabeth Holmes [eholmes@theranos.com]
Subject: 409a prep

Hi Elizabeth,

We should also discuss updating the 409A. Here are a few questions to start -

- 1.) This was the revenue projection we used for the last one. Do we still keep this (just push out by one year)?
- 2.) For the \$75m that we recently received from Walgreen, I currently left it in deferred revenue in the financial book. Is it "purchase prepayment"? Or is it some kind of convertible debt? This will certainly have an impact on the equity value
- 3.) I will send Aranca the latest cap table. For common class A and common class B, are they going to have the same share price for option granting purpose? Not really sure how that will work.
- 4.) They also usually require a certificate of incorpor in order to obtain the info of each class of stock. Will it be an issue? I can also base on what they ask and give them the relevant sections only. Please advise.

Thank you,

Danise

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017
50,000,000	89,702,000	112,202,000	131,702,000	143,402,000

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