

Bob Gordon

From: Elizabeth Holmes <eholmes@theranos.com>
Sent: Friday, July 30, 2010 5:41 PM
To: Steve Burd; Robert Edwards
Cc: Sunny Balwani
Subject: Theranos Financial Projections
Attachments: Theranos Pro forma Statements.xls

Dear Steve, Robert,

As promised, please find high level projections attached to this email. We are available any time this evening or tomorrow to connect on this or any other aspect of the C-1 Stock Purchase materials.

As you know, my cell is

With my best regards,
Elizabeth.

Elizabeth Holmes
President and CEO
Theranos, Inc.

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OTHER INFORMATION
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| | 2010 | 2011 | 12/31/XX | 2012 | 2013 |
|----------------------------------------|-----------|----------------------|----------|----------------------|----------------------|
| Proforma Statement of Income | | | | | |
| US Revenue | | | | | |
| Revenue from Safeway Network | NA | \$31,000,000 | | \$162,000,000 | \$360,000,000 |
| All Other Revenue | NA | \$192,000,000 | | \$302,000,000 | \$574,000,000 |
| Total US Revenue | NA | \$223,000,000 | | \$464,000,000 | \$934,000,000 |
| Operating Expenses and Cost of revenue | NA | (\$167,000,000) | | (\$348,000,000) | (\$701,000,000) |

| | | | | | |
|----------------------------------------------------|----|----------------|--|----------------|----------------|
| Proforma Statement of Cash flow | | | | | |
| EBITDA from Statement of Income | NA | \$56,000,000 | | \$116,000,000 | \$233,000,000 |
| Equity from SWY | NA | \$25,000,000 | | \$0 | \$0 |
| Inventory Pre-purchase by Safeway | NA | \$30,000,000 | | \$0 | \$0 |
| Inventory Pre-purchase by Safeway Network Partners | NA | \$60,000,000 | | \$20,000,000 | \$0 |
| CAPEX: Device Inventory | NA | (\$80,000,000) | | (\$45,000,000) | (\$55,000,000) |
| CAPEX: Cartridge Manufacturing Lines | NA | (\$28,000,000) | | (\$32,000,000) | (\$40,000,000) |

| | | | | | |
|---------------------------------------------------|---------------------|----------------------|--|----------------------|----------------------|
| Proforma Balance Sheet | | | | | |
| Total Current Tangible Assets (Cash/ST Inventory) | \$86,000,000 | \$149,000,000 | | \$208,000,000 | \$346,000,000 |
| PP&E | \$10,000,000 | \$116,000,000 | | \$159,000,000 | \$210,000,000 |
| Total Current Assets | \$96,000,000 | \$265,000,000 | | \$367,000,000 | \$556,000,000 |
| Current Liabilities: | \$0 | \$0 | | \$0 | \$0 |
| LT Debt | \$0 | \$0 | | \$0 | \$0 |
| Total Liabilities | \$0 | \$0 | | \$0 | \$0 |

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