

Message

From: Jim Mattis [jimmattis@[REDACTED]]
Sent: 11/2/2015 1:27:13 AM
To: Elizabeth Holmes [eholmes@theranos.com]
Subject: RE: For our shareholders

Thanks, Elizabeth. Studying now. Take care, stay rested and all my best, Jim

From: Elizabeth Holmes [mailto:eholmes@theranos.com]
Sent: Sunday, November 01, 2015 5:09 PM
To: Jim Mattis <jimmattis@[REDACTED]>
Cc: kovacedm@[REDACTED]; Susan.Schendel@[REDACTED]; gary roughead <groughead@[REDACTED]>; William J. Perry <wjerry@[REDACTED]>; kmatthews@[REDACTED] bfrist@[REDACTED]; Bill Foegen <Bill.Foegen@[REDACTED]> rileyb@[REDACTED]; DB <xboies@[REDACTED]> Heather King <hking@theranos.com>; Sunny Balwani <sbalwani@theranos.com>
Subject: Re: For our shareholders

Thanks for this Jim. Very much look forward to hearing your thoughts. All attachments can be forwarded freely, as can the standing invitation for people to come try this first hand.
Elizabeth

On Nov 1, 2015, at 4:54 PM, Jim Mattis <jimmattis@[REDACTED]> wrote:

Dear Elizabeth,

This is a strong package and contains much data that counter the WSJ articles. I salute you and your team for this work. I'm going to re-read the WSJ and NYT articles and look for any assertion that we might not have countered yet with sufficiently specific data that disproves their technical assertions. I will come back to you.

Question for you: are we at a point when we members of the boards are queried can remove your email and push out these attachments to help calm the waters?

Again, good work by you and your team. Best, Jim

From: Elizabeth Holmes [mailto:eholmes@theranos.com]
Sent: Sunday, November 01, 2015 3:48 PM
To: <kovacedm@[REDACTED]> <kovacedm@[REDACTED]>; <Susan.Schendel@[REDACTED]>
<Susan.Schendel@[REDACTED]>; gary roughead <groughead@[REDACTED]>; William J. Perry <wjerry@[REDACTED]>; <jimmattis@[REDACTED]> <jimmattis@[REDACTED]>; <kmatthews@[REDACTED]>
<kmatthews@[REDACTED]>; <bfrist@[REDACTED]> <bfrist@[REDACTED]>; Bill Foegen <Bill.Foegen@[REDACTED]>; <rileyb@[REDACTED]> <rileyb@[REDACTED]>; DB <xboies@[REDACTED]>
Cc: Heather King <hking@theranos.com>; Sunny Balwani <sbalwani@theranos.com>
Subject: FW: For our shareholders

Dear all,

I wanted to share the below communication and associated attachments that went out to our investors today for your reference.

Bill Perry and I just got the chance to connect following his emails, and for the group's reference we discussed the five parallel paths we have ongoing for getting our data out there:

- 1) publishing data on our assays and 2) our clinical laboratory performance, both consistent with what you've seen in our board meeting presentations over the past couple years.
- 3) Publishing data from/associated with our FDA submissions.
- 4) Working with centers of excellence on prospective studies run by independent laboratory personnel for publication.
- 5) Inviting people to Theranos to do finger-stick test demonstrations first hand, as well as venous blood draws at the same time, (as many of you have done) and see the variance in data that results if the venous blood sample is sent to multiple labs.

As always, if anyone has thoughts / ideas / questions on any aspect of this please send us an email real-time. I deeply value the insights and support we've received from you all as we fight to disprove all these falsehoods.

Elizabeth

From: Theranos

Sent: Sunday, November 01, 2015 2:23 PM

Subject: For our shareholders

Dear Shareholder,

I want to first thank all of you who have reached out to share your support of the company, and experiences of being faced with stories like these, as we've undergone attacks through the media over the past week and a half. It has meant so much to me, and to everyone in our company.

You have likely seen recent media coverage discussing Theranos, spurred by recent *Wall Street Journal* articles about Theranos.

I went down to the *Wall Street Journal* conference to refute the false statements in their articles in person, and we posted *Theranos Facts* on our website, which comprehensively rebut the many false accusations and misrepresentations resulting from the *Journal's* coverage.

You can also see a statement posted on our website in response to the *Journal's* continued coverage of our work with FDA. Needless to say, the press around the FDA inspection at Theranos after we received our first FDA clearance is not accurate, and had nothing to do with our tests, devices, software, or the accuracy of our test methods. The inspection reports focused only on the operations of one of our Nanotainer Tubes, and its transition from the lab framework policies to the FDA framework policies as part of Theranos' ongoing, voluntary commitment to transition its test systems to FDA oversight.

As we've discussed for many years, we have always known that the nature of our work would mean we'd face attacks like these at some point along the way. And we've always known that our work has a bigger purpose worth fighting for.

As engineers, as scientists, as medical professionals, we are focused above all on improving the lives of the individuals we serve. Innovating to answer the needs of these people will remain our number one focus, as it always has been.

With respect to the recent media, the pile-on has been daunting, but the facts and data are on our side. We will retain our primary focus on our mission, while disproving the attacks against us through our data and the facts.

We are determined to build products that make an impact in people's lives. We have full confidence in the reliability of our technology, as demonstrated by our FDA clearance and CLIA waiver of that technology for the

HSV-1 assay and our associated device, software, and Nanotainer tube. We encourage you to read through our *Theranos Facts* document, as it outlines the numerous methods we use to validate and provide oversight of our technologies.

Our focus at this point is to respond to the attacks by getting more and more people at the national level to see the integrity of our tests and infrastructure first hand, including through publications. We are evaluating the best data and studies to publish through peer-review or otherwise, and the best forum in which to put forward our data—while protecting our intellectual property and trade secrets—on both the performance of tests on our systems compared to conventional methods, as well as finger stick sample performance compared to venipuncture.

And we are focused on shining a light on the people who know and use our lab services in Arizona, where we've focused as a company over the past year and a half.

We invite anyone interested to come to Theranos to experience a finger-stick test demonstration first hand, and talk about your experience. We are setting up a program for large numbers of people to do this, and will invite people in to have tests performed under different circumstances, like before and after a meal, to see how lab results change based on many different environmental factors. We are also working to be able to send the same samples to multiple reference labs so people can see firsthand how tests vary from lab to lab.

We have chosen to build a company and technologies that have the potential to impact so many people's lives for the better. Judging by the almost 4M tests we've done for people over the last year and a half, the tens of thousands of people we've served who've rated our lab service an average of 4.84 out of 5, and the millions of dollars we've begun saving people, the health system and taxpayers through our lower rates, we're off to a pretty good start.

With respect to the press around Walgreens: Theranos' partnership with Walgreens has been a great one for the individuals and physicians we've served, and we are in the process of evaluating the next steps. We are also continuing to evaluate other future business opportunities and partnerships, as we always do.

I likewise want to take this opportunity to talk about a new addition to our Board. It is with great pride that I can write that David Boies, our long time counselor, formally joined our board effective this July, 2015. David is a brilliant strategist, advisor and attorney who is known for his integrity and understanding of complex business environments. He has been a trusted counselor to Theranos for years, including attending our board meetings for the past several years, and his appointment to the board formalizes this relationship.

When we appointed David, we formalized the governance structure that was already in place - naming a Board of Directors and a Board of Counselors. This codifies the way we have been running the business for a number of years and allows all of our esteemed Board members to continue to lend their insight and expertise where it can be best applied. At the same time, we began formalizing a Medical Board at the board level, which we are building with leaders in health care with whom we have worked over time.

All existing board members, including David Boies, serve on the Board of Counselors. Members of our existing governing committees - Riley Bechtel, Jim Mattis, Elizabeth Holmes and Sunny Balwani – continue to serve on our governing board, in addition to David Boies. The Founding members of our Medical Board are Dr. Bill Frist and Dr. Bill Foege, both of whom are also members of our Board of Counselors; Dr. David Helfet of the Hospital for Special Surgery in Manhattan, who has led a medical advisory board task force for the company; and Dr. Jonathan Simons, CEO of the Prostate Cancer Foundation.

The Theranos Boards of Directors and Counselors released the following statement this week:

Statement by the Theranos Boards of Directors and Counselors

As individuals – engineers, doctors, senior government officials, public health experts, scientists, corporate leaders, builders and professors – familiar with the objectives and workings of Theranos, its leadership, and its mission, we stand wholeheartedly behind the management, achievements, vision and commitment of this company.

Theranos is a revolutionary business, founded and led by a remarkable engineer and businesswoman – joined by a team of professionals who have, at their core, embraced her mission to serve humanity through innovation in health care. Theranos’ technology is both transformative and transparent: our blood tests are faster, less expensive, and require less blood than traditionally required. Fundamentally, the technology is designed to serve those who most need care and those who can least afford health care today. Doing this with as little pain as possible, this humane innovation, over time, will impact the lives of millions – including the very young and the very old, cancer patients and those with chronic disease. This same mission will drive price transparency, empowering individuals and reducing their costs. As a group, we embrace this promise and stand with Theranos.

As we wrote in a public statement recently: Theranos is the same company offering the same services as we were two weeks ago. And, while we’ll continue to set the record straight when there is false coverage about us, we have not for a minute lost focus on building our business.

We have the privilege of being reminded every day of the importance of our work by the people we serve – those who most need care and who can least afford health care, and the people who are now detecting disease earlier because we’ve made it more accessible. And that is why we will fight this battle as many times as it takes to win it.

We have enclosed the facts and statement links as well as the video I referenced above. Please feel free to share as you see fit. And if anyone has questions about any aspect of the recent press after reading the attachments, please respond to this email and let us know. With so much false information being disseminated by the press, it is especially important to me to make sure each of you have accurate information.

I welcome any feedback or ideas you all have as we counter and correct the falsehoods. We have such an incredible group of people in our investor base, and I deeply value your insights.

Finally, we welcome you to keep us informed of any press contact you receive, via pr@theranos.com, and we are happy to provide you with any relevant information related thereto.

Thank you for the support you have shown us in working toward our mission, and building a great company not just for today but also for the very long term.

With my best regards,
Elizabeth

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