



Elizabeth Holmes
Theranos, Inc.

1601 S. California Ave
Palo Alto, CA 94304

F 650.838.9804

eholmes@theranos.com

Mr. Jerry Tubergen
RDV Corporation
[REDACTED]

September 24, 2014

Dear Jerry,

It is with great pleasure I write this letter and enclose this package for you.

By way of background, Theranos is a private company. I founded this company to make a difference in the world, and have retained majority control of the shares in order to realize that vision for the long term. We have a very long term mission, and are deeply committed to realizing that mission by building a company that establishes a new industry, and standard in the market place, not just over the coming years but also over the coming decades. We have benefited greatly from the ability to execute, keep a laser focus on our operations, and ship transformational and disruptive technology, as we've just done, without having to talk it up to analysts or others before it's done. We also believe in the ability to create the greatest return on investment for our shareholders by realizing our long term vision and not being subject to the whims of the public market. As such, the company plans to be private for the long term.

Theranos is a sensors and software company, developing solutions to make actionable information accessible at the time it matters most. There are many industries in which the company's existing products have the potential to play a significant role long term, ranging from chemical and water testing to animal/pet and livestock testing to the replacement of invasive medical diagnostic procedures with testing.

Historically, Theranos' work was focused on contracts with pharmaceutical and military clients. In these areas and others, Theranos' technology is creating new testing markets that have not previously existed because the technology wasn't there.

Theranos has not only reduced to practice and patented its comprehensive technological and operational infrastructure over the past ten years, but has also had regulatory certifications to operate commercially, including as a CLIA-certified laboratory (the regulatory certification for labs) since 2011.

Once the company was ready to launch its commercial laboratory and announced its national contract with Walgreens in fall of 2013, Theranos began operating in the consumer, physician, and hospital laboratory testing business in the US, with plans for international expansion. All current resources are focused on this commercial laboratory business, and future growth in pharmaceutical, military, and other business will follow the successful establishment of Theranos' commercial laboratory infrastructure nationwide.

The commercial laboratory testing business Theranos could fulfill in the US alone is over a \$180B/year market when accounting for total requisitions written by physicians, and not including direct to consumer testing or preventative testing which are bigger markets.

Theranos Confidential

Pre-Mtg Memo



Elizabeth Holmes
Theranos, Inc.

1601 S. California Ave
Palo Alto, CA 94304

P 650.470.6111
F 650.838.9804

theranos.com
eholmes@theranos.com

In addition to its Walgreens contract, Theranos has entered into long term contracts with insurance providers, Medicare, Medicaid programs, hospital systems and physician groups committing to use Theranos as their long term laboratory infrastructure. Theranos, with and through its partners, is now bringing to establish market share in the growing laboratory market.

Theranos has grown from cash from its contracts for some time. The company has no debt and has no plans to take on any debt financing. The last equity transaction Theranos completed was in January of 2014 for strategic partners and entities with whom the company is working. In total, the company has raised over four hundred million dollars in equity capital. Theranos plans to hold only one more equity transaction for the purpose of selecting long term shareholders who the company wants to keep as shareholders for the long term. After this transaction and as the company grows from here, Theranos will begin consolidating its existing shareholder base around these long term shareholders.

As the company gains visibility, we have had interest from a large number of funds in acquiring an equity stake in Theranos. The focus of those conversations, however, is often tainted in our minds by an interest in a short term return or initial public offering or our view of the inherent long-term conflicts in some of these funds' investment models.

Theranos is instead, as above, very selectively and methodically selecting the shareholders it wishes to be owners of the company long term, and considering their participation in a final equity transaction. We are selectively considering a small group of like-minded people and funds with very long term interests who invest for material long term gains and want to be part of a long term mission and company.

With this letter, I would like to formally extend to you the invitation to participate in this equity transaction. With our interest in establishing this long term shareholder base around which we ultimately consolidate, we sought and obtained approvals to extend the same share price at which investors participated in the last set of equity transactions the company effected last year (and that was made available to new directors who have since invested in the company). For reference, the total size of this equity transaction was planned to be between two hundred and fifty and five hundred million dollars. The transaction will likely be executed within the next month or so.

I am happy to provide more background on any of the above, or any of the materials enclosed in this package. Theranos' investment documents are enclosed herein. The additional materials focus on the infrastructure Theranos has developed and initial market of commercial laboratory testing that Theranos has entered.

With my very best regards,

Elizabeth Holmes
Founder and CEO
Theranos Inc.