
From: Sunny Balwani <sbalwani@theranos.com>
Sent: Monday, January 20, 2014 9:51 PM
To: Brian Grossman
Subject: RE: RE: RE:

Brian.

We can cover this tomorrow with no issues. We have spent enormous amount of time on our regulatory affairs, strategy and plan and will be happy to share with you. Same on the competitive strategy.

I will have the financial model ready for you on a USB key.

Look forward to seeing you all tomorrow at 11am.

Best,
Sunny.

-----Original Message-----

From: Brian Grossman [mailto:Brian@pfmlp.com]
Sent: Monday, January 20, 2014 8:27 PM
To: Sunny Balwani
Subject: RE: RE: RE:

Here are a few of the topics for tomorrow:

competition. is there anybody out there right now they are aware of? if not, then what happens when they start taking share and rolling out in multiple markets. what is the competitive response? do they see another lab in a box emerge? what is their time to market advantage?

We want to revisit the FDA approval process for assays and analyzer. More detail on how you intend to proceed. what the FDA has said. the nature of the FDA communications. will the analyzer be an FDA approved device? Will the Nanotainers require FDA approval? are their examples of LDT's done on devices that are not FDA approved. (dna sequencers?) what are the overall risks with respect to FDA oversight?

CLIA regulations and how it will affect Theranos, Walgreen's and Safeway. will each location be considered a CLIA lab? how will this work in Phase 2 of the roll-out where they are putting analyzers in the stores? Same for physician office. will each physician office be required to be CLIA certified? Bigger picture question of how the existing LDT regulatory environment can handle something like Theranos. Do they think they can commercialize within the existing LDT/CLIA lab regulations or will they run into problems?

for physician market are they selling the device to the doctor? do they get referrals? are their potential stark issues. will doctor be considered a CLIA lab?

We want to better understand the manufacturing ramp of analyzers. can they make them at higher volume without sacrificing product quality? where do they make them. we'd like to see that part of the operation if possible. why did they decide to make the analyzers vs outsource them?

Update on intermountain deal.

Also, we talked about having access to the theranos financial model at our last meeting. We'd still like to see that if possible.

Regards

Brian

-----Original Message-----

From: Sunny Balwani [mailto:sbalwani@theranos.com]
Sent: Monday, January 20, 2014 12:45 PM
To: Brian Grossman
Subject: RE: RE: RE:

Great. look forward to it. thanks.

-----Original Message-----

From: Brian Grossman [mailto:Brian@pfmlp.com]
Sent: Monday, January 20, 2014 10:51 AM
To: Sunny Balwani
Subject: Re: RE: RE:

thanks sunny. lets do tomorrow. we'll see you at 11. i'll send you a list of items we want to cover later this afternoon.

brian

> On Jan 20, 2014, at 11:21 AM, "Sunny Balwani" <sbalwani@theranos.com> wrote:

>

> Brian.

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> Sure thing. I am free tomorrow from 11-3 and most of Wednesday afternoon. Let me know if either of these days work.

>

> Thanks.

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> -----Original Message-----

> From: Brian Grossman [mailto:Brian@pfmlp.com]

> Sent: Friday, January 17, 2014 4:44 PM

> To: Sunny Balwani

> Subject: Re: RE:

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> Sunny

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> Thanks for the materials and congrats on the Intermountain deal. That's a great validation for the technology and the company. I was wondering if you have any time next week for a follow up meeting. We have a few areas we'd like to follow up on.

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> Regards,

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> Brian

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>> On Jan 16, 2014, at 9:21 PM, "Sunny Balwani" <sbalwani@theranos.com> wrote:
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>> ***** Confidential *****
>>
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>> Brian.
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>> Attached please find a pdf which is a very confidential slide deck of discussions we had. It also includes a very detailed section on Data which Alex had requested, including the Nucleic Acid Amplification assays. This slide deck does not include any reference to Safeway.
>>
>> Please note you will need the following credentials to open this file:
>> Userid: pfmlp
>> Password: TheranosConfidential2014!
>>
>> I am also attaching scanned copies of the NDAs you had requested.
>>
>> We will mail you the projections/financial model shortly.
>>
>> Let me know if you have any questions on any of this.
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>> P.S.
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>> * At the conference, the Intermountain Health Systems announced the strategic partnership with Theranos. As you may already know, IMH is one of the largest hospital networks in the US and, more importantly, one of the most respected organizations and key thought leaders. Intermountain additionally participated as an equity investor in Theranos in the recent 2013 close.
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>> * I don't know if any of your team members got to attend the conference but if not, the following is a recap of Walgreens announcement/comments on Theranos by their CEO and CFO.
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>> Greg (CEO) ~ In our history book this will be a crawl, walk, run. We have launched in one store in Palo Alto where Theranos is located and are beginning a roll out in Phoenix. Once we've done that successfully you will see a more rapid national roll out. They have incredible, incredible technology. We are not going to comment on guidance in terms of revenue. Once we have rolled out in other states we will be able to talk more about it.
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>> Wade (CFO) ~ Responding to a question around how the economics work with Theranos. It's sort of a fee for service where we provide some of the process around getting that finger stick but they are the lab and Theranos closes the loop, they handle getting that information back to medical professional and payers.
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>> They discussed their 2016 financial targets, for which their calculated CAGRs show them lagging to reach, but highlighted alliance boots and Theranos as things that may help them catch up so they are not changing guidance on that 2016 target.
>> During the main presentation Greg Wasson commented on the influence of lab testing on overall healthcare spend while he was on the Theranos slide.
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>> From: Brian Grossman [mailto:Brian@pfmlp.com]
>> Sent: Friday, January 10, 2014 11:16 PM

>> To: Sunny Balwani

>> Subject:

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>> Sunny

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>> Thanks again for the time you spent with our team walking us through the Theranos story. It's amazing to see what you and Elizabeth and the rest of the Theranos team have accomplished over the last 10 years. We will likely need a few days to process everything we learned today. One thing that would be especially helpful to our due diligence process is having access to the financial model we reviewed with you today.

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>> Regards,

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>> Brian

>> <Theranos_Overview_and_data.pdf>

>> <Alex Rabodzey.pdf>

>> <Brian Grossman.pdf>

>> <Chris James.pdf>

>> <Sriram Balasuryan.pdf>

>> <Vivek Khanna.pdf>