

To: Elizabeth Holmes[eholmes@theranos.com]
From: Sunny Balwani[/O=THERANOS ORGANIZATION/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=SBALWANI]
Sent: Tue 7/15/2014 4:43:07 PM (UTC)
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Projected Statement of Income

	Period Ending	
	12/31/2014	12/31/2015
Revenue (US COMMERCIAL ONLY)		
Lab Services from US Retail Pharmacies	\$ 42,000,000	\$ 470,000,000
Lab Services Revenue from Physicians Offices	\$ 11,000,000	\$ 161,000,000
Lab Services Revenue from Hospitals	\$ 47,000,000	\$ 290,000,000
OnSite Services Revenue from Hospitals	\$ -	\$ 11,000,000
Pharmaceuticals Services	\$ 40,000,000	\$ 62,000,000
DOD	TBD	TBD
Total Revenue	\$ 140,000,000	\$ 990,000,000
Cost of Revenue:		
<i>Retail Pharmacy</i>	\$ (16,000,000)	\$ (188,000,000)
<i>Physicians Office (courier)</i>	\$ (4,000,000)	\$ (64,000,000)
<i>Hospital (courier)</i>	\$ (14,000,000)	\$ (87,000,000)
<i>Hospital (onsite)</i>	\$ -	\$ (3,000,000)
<i>Pharmaceutical Services</i>	\$ (5,000,000)	\$ (12,000,000)
DOD	TBD	TBD
Total Cost of Revenue	\$ (39,000,000)	\$ (354,000,000)
Gross Profit	\$ 101,000,000	\$ 636,000,000
Operating Expenses		
Research & Development (including software apps & support)	\$ (57,000,000)	\$ (127,000,000)
CLIA Lab Operations Fixed overhead (validation, software, facilities,..)	\$ (10,000,000)	\$ (76,000,000)
Data Center	\$ (3,000,000)	\$ (25,000,000)
Sales, Marketing & Branding	\$ (11,000,000)	\$ (76,000,000)
G&A	\$ (21,000,000)	\$ (95,000,000)
Total Operating Expenses	\$ (102,000,000)	\$ (399,000,000)
EBITDA	\$ (1,000,000)	\$ 237,000,000
Depreciation & Taxes		
Depreciation of Capital Assets	\$ (2,000,000)	\$ (7,000,000)
Taxes	\$ -	TBD
Net Income	\$ (3,000,000)	\$ 230,000,000

THERANOS, INC. AND SUBSIDIARY

Period ended July 14, 2014

	July 14, 2014	
	\$'000	
Current assets		
Cash & investment	\$	162,713
Accounts Receivable		25,000
Inventory		5,853
Other current assets		2,950
Total current assets		<u>196,516</u>
Note Receivable		26,969
Plant & Equipment		21,534
Total Assets	\$	<u>245,019</u>
Current liabilities		
Accounts Payable	\$	4,627
Other current liabilities		4,188
Total current liabilities		<u>8,815</u>
Deferred revenue & customers' deposits		168,808
Repurchaseable shares		11,460
Other long term liabilities		4,183
Total liabilities		<u>193,266</u>
Common stock		25,823
Preferred stock		331,717
Accumulated deficit		(305,787)
Total stockholder' equity		<u>51,753</u>
Total liabilities and stockholders' equity	\$	<u>245,019</u>