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To: Elizabeth Holmes[eholmes@theranos.com]

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

Proforma Statement of Cash Flow

Period Ending		12/31/2013		12/31/2014	12/31/2015
Beginning Balance for Period		57,400,000	\$	108,900,000	\$ 198,000,000
Net Income from Income Statement		(61,000,000)	\$	(3,000,000)	\$ 237,000,000
(deprectiaion expense)		2,000,000	\$	2,000,000	\$ 7,000,000
Services NBL by Walgreens		75,000,000	\$	-	\$ -
Services NBL by Safeway		-			\$ -
Adjustments to prepayment of revenue		(18,500,000)	\$	(15,000,000)	\$ -
Proceeds from Equity Transaction		59,000,000	\$	114,469,000	\$ -
Capital Expeditures:					
Lines of Production	\$	(2,000,000)	\$	(5,000,000)	\$ (15,000,000)
Devices	\$	(3,000,000)	\$	(5,000,000)	\$ (14,800,000)
Total Capital Expenditures	\$	(5,000,000)	\$	(10,000,000)	\$ (29,800,000)
TOTAL CASHFLOW IN (OUT)		51,500,000	\$	88,469,000	\$ 214,200,000
			-		
Ending Cash Balance	\$	108,900,000	\$	198,000,000	\$ 412,000,000

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		196,516		
Note Receiable		26,969		
Plant & Equipment		21,534		
Total Assets	\$	245,019		
Current liabilities Accounts Payable	\$	4,627		
Other current liabilities Total current liabilities		4,188 8,815		
Deferred revenue & customers' deposits Repurchaseable shares		168,808 11,460		
Other long term liabilities		4,183		
Total liablities		193,266		
Common stock		25,823		
Preferred stock		331,717		
Accumulated deficit Total stockholder' equity		(305,787)		
Total liabilities and stockholders' equity	\$	245,019		