Hi Elizabeth,

Revised the revenue numbers per discussion and updated the model. I will send this to Aranca.

We will still need to know how many options will be granted at the new value (whether and how many to include for you and SB).

Thanks,

Danise

---

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>COS %</th>
<th>G&amp;A increase</th>
<th>R&amp;D increase</th>
<th>Cost per device</th>
<th>Price per test</th>
<th>Test per day per machine</th>
<th># of devices needed</th>
<th># of tests per day</th>
<th>OPEX</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>$53M</td>
<td>35%</td>
<td>30%</td>
<td>10%</td>
<td>$40K</td>
<td>$35</td>
<td>8</td>
<td>531</td>
<td>4184</td>
<td>$136M</td>
</tr>
<tr>
<td>2016</td>
<td>$153M</td>
<td>32%</td>
<td>30%</td>
<td>10%</td>
<td>$35K</td>
<td>$35</td>
<td>8</td>
<td>992</td>
<td>12012</td>
<td>$155M</td>
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<tr>
<td>2017</td>
<td>$253M</td>
<td>32%</td>
<td>30%</td>
<td>10%</td>
<td>$30K</td>
<td>$35</td>
<td>8</td>
<td>992</td>
<td>19840</td>
<td>$178M</td>
</tr>
<tr>
<td>2018</td>
<td>$503M</td>
<td>30%</td>
<td>30%</td>
<td>10%</td>
<td>$25K</td>
<td>$35</td>
<td>8</td>
<td>3011</td>
<td>39409</td>
<td>$205M</td>
</tr>
</tbody>
</table>

---

From: Danise Yam  
Sent: Wednesday, July 08, 2015 2:12 PM  
To: Elizabeth Holmes; Sunny Balwani  
Subject: RE: 409A  

No change in terms of the assumptions. The result changed slightly (see comparison below) after updating the historical data (because the projection is based on a % of historical data. As our actual expenses went up, the projected expenses will go up as well).

Please confirm that these assumptions are ok to use. (I already sent this to Aranca per our conversation yesterday. But we can certainly make changes, if necessary).

Thanks,

Danise

---

From: Elizabeth Holmes  
Sent: Wednesday, July 08, 2015 1:56 PM  
To: Danise Yam; Sunny Balwani  
Subject: RE: 409A  

What are the changes between this model and the last one?

---

From: Danise Yam  
Sent: Thursday, July 02, 2015 12:09 PM  
To: Elizabeth Holmes; Sunny Balwani
Hi Sunny/Elizabeth,

Wanted to follow up on this.

Thanks,

Danise

---

From: Danise Yam  
Sent: Saturday, June 27, 2015 8:19 PM  
To: Elizabeth Holmes; Sunny Balwani  
Subject: RE: sunil dhawan  

Please see attached for the full projection model. The quickest turnaround time is two weeks, depending on how much changes to the assumptions we are making. The assumptions we had been using since September 2014 were as follows.

Thanks,

Danise

---

<table>
<thead>
<tr>
<th>Year</th>
<th>Revenue</th>
<th>COS %</th>
<th>G&amp;A increase</th>
<th>R&amp;D increase</th>
<th>Cost per device</th>
<th>Price per test</th>
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<th># of tests per day</th>
<th>OPEX</th>
</tr>
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<tbody>
<tr>
<td>2015</td>
<td>$113M</td>
<td>35%</td>
<td>30%</td>
<td>10%</td>
<td>$40K</td>
<td>$35</td>
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<td>1,126</td>
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<td>$136M</td>
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<tr>
<td>2016</td>
<td>$223M</td>
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<td>$35K</td>
<td>$35</td>
<td>8</td>
<td>1,091</td>
<td>17,455</td>
<td>$155M</td>
</tr>
<tr>
<td>2017</td>
<td>$323M</td>
<td>32%</td>
<td>30%</td>
<td>10%</td>
<td>$30K</td>
<td>$35</td>
<td>8</td>
<td>1,000</td>
<td>25,284</td>
<td>$178M</td>
</tr>
<tr>
<td>2018</td>
<td>$503M</td>
<td>30%</td>
<td>30%</td>
<td>10%</td>
<td>$25K</td>
<td>$35</td>
<td>8</td>
<td>2,912</td>
<td>39,374</td>
<td>$205M</td>
</tr>
</tbody>
</table>

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From: Elizabeth Holmes  
Sent: Saturday, June 27, 2015 6:15 PM  
To: Danise Yam; Sunny Balwani  
Subject: RE: sunil dhawan  

Send those out by email to me too – we will get this done this weekend. What is turnaround time on the 409a.

We should revisit 2015 numbers in the assumptions too

---

From: Danise Yam  
Sent: Saturday, June 27, 2015 10:54 AM  
To: Sunny Balwani  
Cc: Elizabeth Holmes  
Subject: Re: sunil dhawan

Hi Sunny,
As we briefly touched base last night, all option grants would be pending on the 409a valuation (due to Marc' transaction). If you can help review the assumptions used for the projection, we will move this along quickly.

Thanks,
Danise

On Jun 27, 2015, at 7:10 AM, Mona Ramamurthy <mramamurthy@theranos.com> wrote:

On Jun 26, 2015, at 11:12 AM, Evan North <ENorth@BSFLLP.com> wrote:

Evan E. North, Esq.
BOIES, SCHILLER & FLEXNER LLP
Mobile: (847) 567-3826
ENorth@BSFLLP.com

-----Original Message-----
From: Sunny Balwani [sbalwani@theranos.com]
Sent: Friday, June 26, 2015 02:12 PM Eastern Standard Time
To: Heather King
Cc: Danise Yam; Scott Marmer; Elizabeth Holmes; Mona Ramamurthy; Evan North; Diana Lee
Subject: RE: sunil dhawan

From: Heather King
Sent: Friday, June 26, 2015 10:37 AM
To: Sunny Balwani
Cc: Danise Yam; Scott Marmer; Elizabeth Holmes; Mona Ramamurthy; Evan North; Diana Lee
Subject: RE: sunil dhawan
From: Sunny Balwani
Sent: Thursday, June 25, 2015 9:32 PM
To: Heather King
Cc: Danise Yam; Scott Marmer; Elizabeth Holmes; Mona Ramamurthy
Subject: RE: sunil dhawan

From: Heather King
Sent: Thursday, June 25, 2015 9:30 PM
To: Sunny Balwani
Cc: Danise Yam; Scott Marmer; Elizabeth Holmes
Subject: Re: sunil dhawan

On Jun 25, 2015, at 9:23 PM, Sunny Balwani <sbalwani@theranos.com> wrote:

From: Sunny Balwani
Sent: Thursday, June 25, 2015 7:50 PM
To: Danise Yam; Scott Marmer
Cc: Elizabeth Holmes; Heather King
Subject: RE: sunil dhawan

From: Sunny Balwani
Sent: Thursday, June 25, 2015 7:23 PM
To: Danise Yam; Scott Marmer
Cc: Elizabeth Holmes; Heather King
Subject: sunil dhawan
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