



Q2 2021 Earnings Call

August 9, 2021



Forward-Looking Statements



This presentation includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. Butterfly Network, Inc.'s (the "Company") actual results may differ from its expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions (or the negative versions of such words or expressions) are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the Company's expectations with respect to financial results, future performance, development of products and services, potential regulatory approvals, anticipated financial impacts and other effects of the Company's business combination on its business, the size and potential growth of and trends in current or future markets for its products and services, and the Company's collaborations and partnerships. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from those discussed in the forward-looking statements. Most of these factors are outside the Company's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: the impact of COVID-19 on the Company's business; the ability to maintain the listing of the Company's Class A common stock on the New York Stock Exchange; the ability to recognize the anticipated benefits of the business combination, which may be affected by, among other things, competition and the Company's ability to grow and manage growth profitably and retain its key employees; changes in applicable laws or regulations; the Company's ability to raise financing in the future; the success, cost and timing of the Company's product and service development activities; the potential attributes and benefits of the Company's products and services; the Company's ability to obtain and maintain regulatory approval for its products, and any related restrictions and limitations of any approved product; the Company's ability to identify, in-license or acquire additional technology; the Company's ability to maintain its existing license, manufacture, supply and distribution agreements; the Company's ability to compete with other companies currently marketing or engaged in the development of products and services that the Company is currently marketing or developing; the size and growth potential of the markets for the Company's products and services, and its ability to serve those markets, either alone or in partnership with others; the pricing of the Company's products and services and reimbursement for medical procedures conducted using its products and services; the Company's estimates regarding expenses, revenue, capital requirements and needs for additional financing; the Company's financial performance; and other risks and uncertainties indicated from time to time in the Company's filings with the Securities and Exchange Commission. The Company cautions that the foregoing list of factors is not exclusive. The Company cautions you not to place undue reliance upon any forward-looking statements, which speak only as of the date of this presentation. The Company does not undertake or accept any obligation or undertake to release publicly any updates or revisions to any forward-looking statements to reflect any change in the Company's expectations or any change in events, conditions or circumstances on which any such statement is based.

Introduction

Dr. Todd Fruchterman, President & CEO

**Butterfly Makes it Possible...
to Reimagine Care**



Study Demonstrated Feasibility of Patient Self-Exams with Butterfly

In this study, heart failure patients were trained to self-perform a lung ultrasound exam using Butterfly

After a brief training session, most patients were able to perform their own lung ultrasounds at home that could be interpreted remotely by clinicians

With patient self-scanning, we believe providers will be able to stay informed and manage disease more effectively

Feasibility of patient-performed lung ultrasound self-exams (Patient-PLUS) as a potential approach to telemedicine in heart failure

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Abstract

Aims Patient-performed lung ultrasound (LUS) in a heart failure (HF) telemedicine model may be used to monitor worsening pulmonary oedema and to titrate therapy, potentially reducing HF admission. The aim of the study was to assess the feasibility of training HF patients to perform a LUS self-exam in a telemedicine model.

Methods and results A pilot study was conducted at a public hospital involving subjects with a history of HF. After a 15 min training session involving a tutorial video, subjects performed a four-zone LUS using a handheld ultrasound. Exams were saved on a remote server and independently reviewed by two LUS experts. Studies were determined interpretable according to a strict definition: the presence of an intercostal space, and the presence of A-lines, B-lines, or both. Subjects also answered a questionnaire to gather feedback and assess self-efficacy. The median age of 44 subjects was 53 years (range, 36–64). Thirty (68%) were male. Last educational level attained was high school or below for 31 subjects (70%), and one-third used Spanish as their preferred language. One hundred fifty of 175 lung zones (85%) were interpretable, with expert agreement of 87% and a kappa of 0.49. 98% of subjects reported that they could perform this LUS self-exam at home.

Conclusions This pilot study reports that training HF patients to perform a LUS self-exam is feasible, with reported high self-efficacy. This supports further investigation into a telemedicine model using LUS to reduce emergency department visits and hospitalizations associated with HF.

Keywords Heart failure; Lung ultrasound; Telemedicine; Patient education

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Introduction

Heart failure (HF) affects over 5 million Americans with 550 000 new patients diagnosed every year. Annually, HF costs over \$33 billion, with an estimated \$20 billion spent on over 1 million annual hospitalizations. Acute HF (AHF) is also the number one Medicare discharge diagnosis that leads to readmission within 30 days.^{1,2} Studies have identified risk factors for increased mortality, the presence of AHF phenotypes, and the efficacy of acute treatment and secondary prevention.^{3,4} Hospital readmission is associated with increased costs and mortality. While guideline-directed

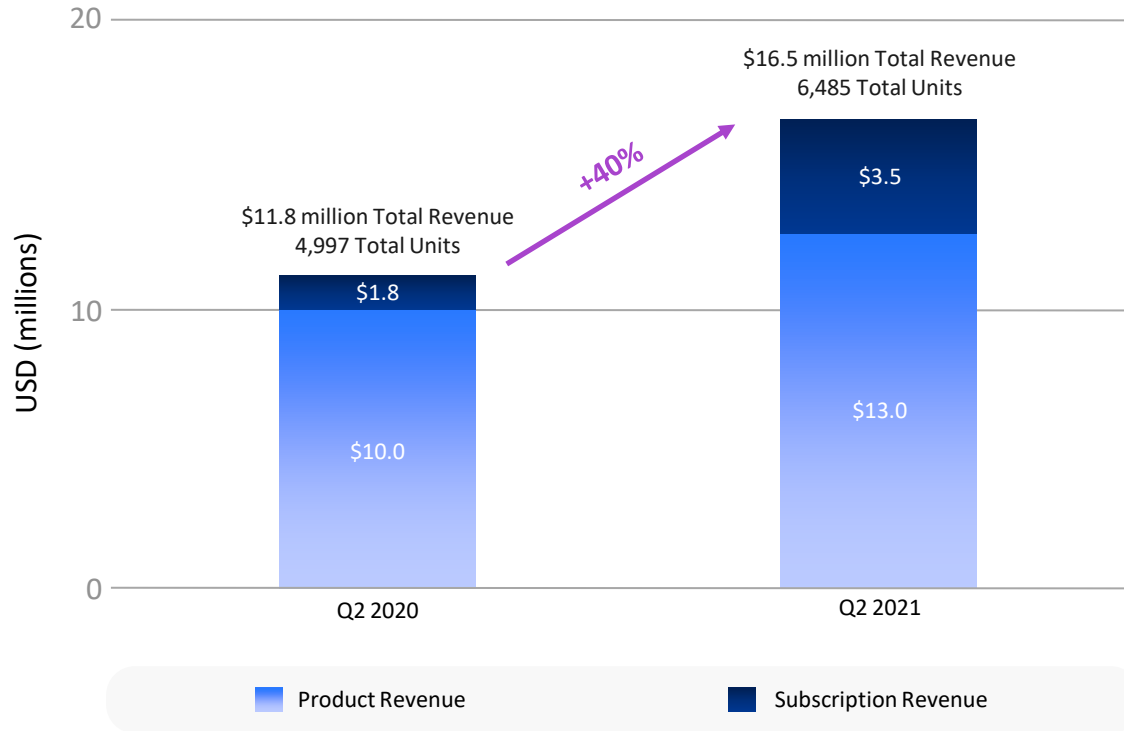
medication therapy has been shown to be effective in reducing mortality, this has not translated into a reduction in hospitalizations.⁵

Home telemonitoring models have had mixed success in reducing hospitalizations in HF patients. These models evaluate self-reported symptoms, weight change, as well as blood pressure and heart rate changes, to trigger further escalation of care.^{6,7} Changes in these variables are often insensitive and non-specific, which may be a major limitation in the detection of early signs of AHF.^{8–10}

Several studies have shown that elevations of intracardiac pressures are specific, early events in the transition from

Q2 2021 Performance

Second Quarter Revenue Growth 2020 vs. 2021



Due to rounding, numbers presented may not add up precisely to the totals provided.

Foundational Near-Term Goals to Drive Commercial Growth



Talent

Drive innovation with additional horsepower in commercial, regulatory, operations and development



Clinical Partnerships

Broaden partnerships with clinical leaders to unleash the full potential of Butterfly



Payor Alignment

Align with payor community to drive product adoption to improve outcomes and cost of care



Commercial Expansion

Partner across care settings, specialties and geographies to accelerate adoption



Innovation

Continue to invest in our industry-leading innovation

Q2 Updates on Foundational Near-Term Goals



Talent

Strengthened key technical roles to boost innovation capacity



Clinical Partnerships



Payor Alignment



Commercial Expansion

Presence in 100+ medical education schools and signed largest distributor relationship to date in Asia



Innovation

New OB/GYN solution and artificial intelligence application licensed

Growing Our Team



Andrei Stoica
Chief Technology Officer



David Ramsey
Chief Information Officer



Commercial Expansion: “Butterfly from the Beginning”

- Butterfly is now present in more than 100 medical education schools
- The Lewis Katz School of Medicine at Temple University distributed Butterfly iQ+ to all of their first-year medical students at their white coat ceremony



Commercial Expansion: International Partnership

- Established a partnership with Chindex Medical, a leading distributor in Hong Kong
- Our partnership with Chindex creates the largest distributor relationship to date in Asia, solidifying a substantial multi-year commercial commitment for the Hong Kong region



Innovation: Addressing Affordability, Accessibility and Ease of Use

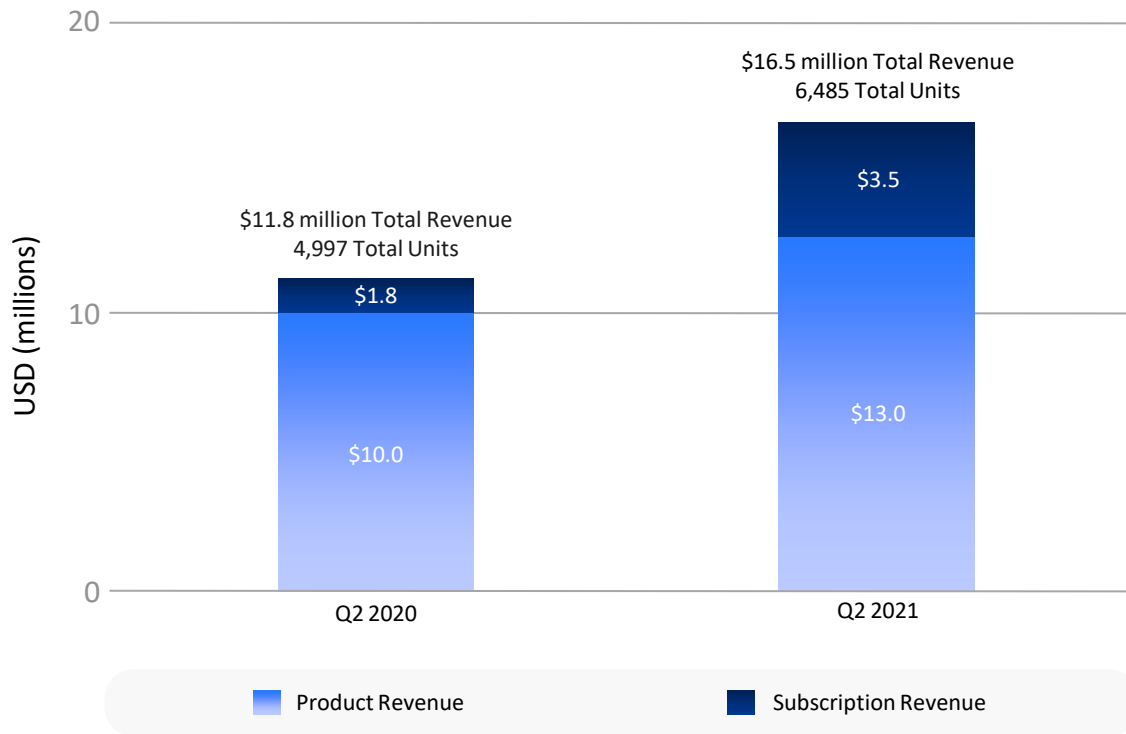
- Launched new solutions in the obstetrics and maternity space that will be delivered through the iQ+ platform to drive universal availability of accessible and affordable ultrasound to reduce maternal and fetal mortality
- Educational View Guidance licensed in Canada - the user can receive real time feedback using a color-coded display using artificial intelligence, helping new users accelerate their educational journey to competency
- With combination of hardware, software, and AI, a Butterfly in a practitioner's hand will have a practical capability to solve problems tomorrow that are unsolvable today

Q2 2021 Financials

Total Revenue Growth of 40% Year-over-Year



\$16.5 million total revenue in Q2 2021



Year-over-Year Growth in Q2

30% Product Revenue

94% Subscription Revenue

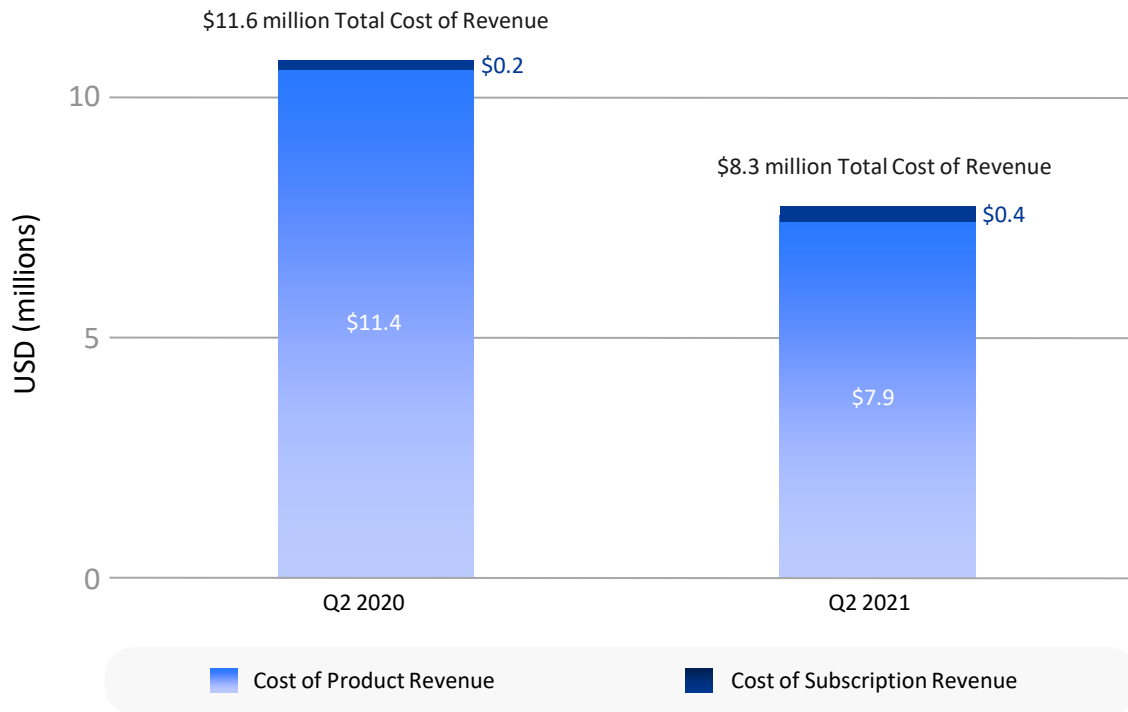
40% Overall Revenue

Due to rounding, numbers presented may not add up precisely to the totals provided.

Total Cost of Revenue Decreased 29% Year-over-Year



\$8.3 million total cost of revenue in Q2 2021



Year-over-Year Cost of Revenue Change

(31%) Product-Related

80% Subscription-Related

(29%) Overall Cost of Revenue

Due to rounding, numbers presented may not add up precisely to the totals provided.

Q2 2021: Solid Margins and Cash Position



Selected Financials (Dollars in Millions) – Q2 2021 Compared to Q2 2020

USD (millions)	Q2 2021	Q2 2020
Gross Profit	\$8.2	\$0.2
- Gross Margin	49.8%	1.4%
Adjusted Gross Profit (Loss)*	\$8.3	\$0.2
- Adjusted Gross Margin	50.2%	1.6%
Operating Expenses	\$44.9	\$23.2
Loss from Operations	(\$36.7)	(\$23.1)
Net Loss	(\$2.9)	(\$23.2)
Adjusted EBITDA*	(\$28.5)	(\$20.1)
Cash and Cash Equivalents and Marketable Securities	\$509.5	\$73.4

*See the end of this presentation for a reconciliation of Adjusted EBITDA, Adjusted Gross Profit and Adjusted Gross Margin, which are non-GAAP measures, to the most comparable GAAP measures.

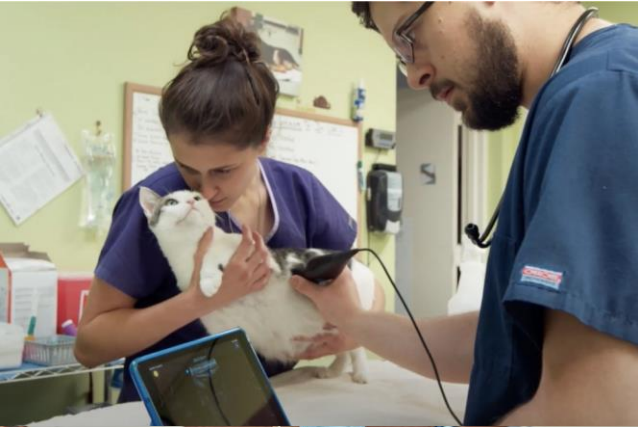
Full Year 2021 Guidance



A reconciliation of Adjusted EBITDA and Adjusted gross margin to corresponding GAAP measures is not available on a forward-looking basis because the Company is unable to predict with reasonable certainty the non-cash component of employee compensation expense, changes in its working capital needs, variances in its supply chain, the impact of earnings or charges resulting from matters the Company considers not to be reflective, on a recurring basis, of its ongoing operations, and other such items without unreasonable effort. These items are uncertain, depend on various factors, and could be material to the Company's results computed in accordance with GAAP. Management strongly encourages investors to review the Company's financial statements and publicly-filed reports in their entirety and not rely on any single financial measure.

Metric	Guidance Range
Revenue	\$76mm – \$80mm
Revenue Growth	64% – 73%
Gross Margin	43% – 47%
Adjusted Gross Margin	42% – 46%
Net Loss	(\$135mm) – (\$155mm)
Adjusted EBITDA	(\$140mm) – (\$160mm)

Butterfly Makes it Possible



Thank you



Reconciliation of Non-GAAP Measures to Comparable GAAP Measures



Appendix A (in thousands, unaudited)

In evaluating the Company's financial performance and outlook, management uses, adjusted EBITDA, adjusted gross profit and adjusted gross margin, which are non-GAAP measures. Management uses these non-GAAP measures to evaluate the Company's operating performance in a manner that allows for meaningful period-to-period comparison and analysis of trends in its business. Management believes that such measures are important in comparing current results with prior period results and are useful to investors and financial analysts in assessing the Company's operating performance. The non-GAAP financial information presented here should be considered in conjunction with, and not as a substitute for, the financial information presented in accordance with GAAP. Investors are encouraged to review the reconciliation of these non-GAAP measures to their most directly comparable GAAP financial measures set forth below.

Adjusted EBITDA

(In thousands)	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Net loss	\$ (2,942)	\$ (23,241)	\$ (3,632)	\$ (47,595)
Interest income	(607)	(23)	(846)	(222)
Interest expense	7	113	645	118
Change in fair value of warrant liabilities	(33,458)	—	(87,570)	—
Other expense, net	262	70	895	99
Provision for income taxes	51	10	75	20
Stock based compensation	7,738	2,662	28,085	5,345
Depreciation and amortization	456	308	915	593
CEO transition costs	—	—	5,398	—
Warranty liability policy change	—	—	(560)	—
Transaction bonus	—	—	1,653	—
Adjusted EBITDA	\$ (28,493)	\$ (20,101)	\$ (54,992)	\$ (41,642)

Adjusted Gross Profit and Gross Margin

	Three months ended June 30		Six months ended June 30	
	2021	2020	2021	2020
Revenue	\$ 16,513	\$ 11,792	\$ 28,958	\$ 20,462
Cost of revenue	8,293	11,627	14,320	21,133
Gross profit	\$ 8,220	\$ 165	\$ 14,638	\$ (671)
Gross margin	49.8%	1.4%	50.5%	-3.3%
Add:				
Depreciation and amortization	72	24	160	46
Warranty liability policy change	—	—	(560)	—
Adjusted gross profit	\$ 8,292	\$ 189	\$ 14,238	\$ (625)
Adjusted gross margin	50.2%	1.6%	49.2%	-3.1%