



Q4 2021 Earnings Call

February 28, 2022



Legal Statements



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, statements regarding, the Company’s expectations with respect to financial results, future performance, the development and commercialization of products and services, and the size and potential growth of current or future markets for its products and services. 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, including issues relating to Omicron and other variants; the ability to recognize the anticipated benefits of the business combination; the Company’s ability to grow and manage growth profitably; 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; changes in applicable laws or regulations; 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; the Company’s ability to raise financing in the future; 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



The problem we are solving: *Enabling more informed clinical decisions*

Many clinical decisions are made with incomplete information. We're here to change that.



The vision.

That all people, everywhere, get the right care, driven by the right clinical decisions at the right time.



The mission.

Create access to valuable clinical insights using innovative ultrasound technology, made simple with artificial intelligence, to benefit all patients worldwide.

Clinical Awareness is Building


Growing List of Publications Using Butterfly



 **ACCP** American College of Physicians®
Leading Internal Medicine, Improving Lives

CLINICAL GUIDELINE

Appropriate Use of Point-of-Care Ultrasonography in Patients With Acute Dyspnea in Emergency Department or Inpatient Settings: A Clinical Guideline From the American College of Physicians

 **AMERICAN ACADEMY OF
FAMILY PHYSICIANS**

AAFP Reprint No. 290D

Recommended Curriculum Guidelines for Family Medicine Residents

Point of Care Ultrasound

SOGC CLINICAL PRACTICE GUIDELINE | VOLUME 43, ISSUE 9, P1094-1099.E1, SEPTEMBER 01, 2021

Guideline No. 421: Point of Care Ultrasound in Obstetrics and Gynaecology

Diagnostic POCUS Certificate Program

 **American Society of
Anesthesiologists®**

Singh et al. Critical Care (2020) 24:65
<https://doi.org/10.1186/s13054-020-2787-9>

Critical Care

RESEARCH

Open Access

International evidence-based guidelines on Point of Care Ultrasound (POCUS) for critically ill neonates and children issued by the POCUS Working Group of the European Society of Paediatric and Neonatal Intensive Care (ESPNIC)





Butterfly is Digital Health

Valuable information to drive better clinical decisions, wherever, whenever



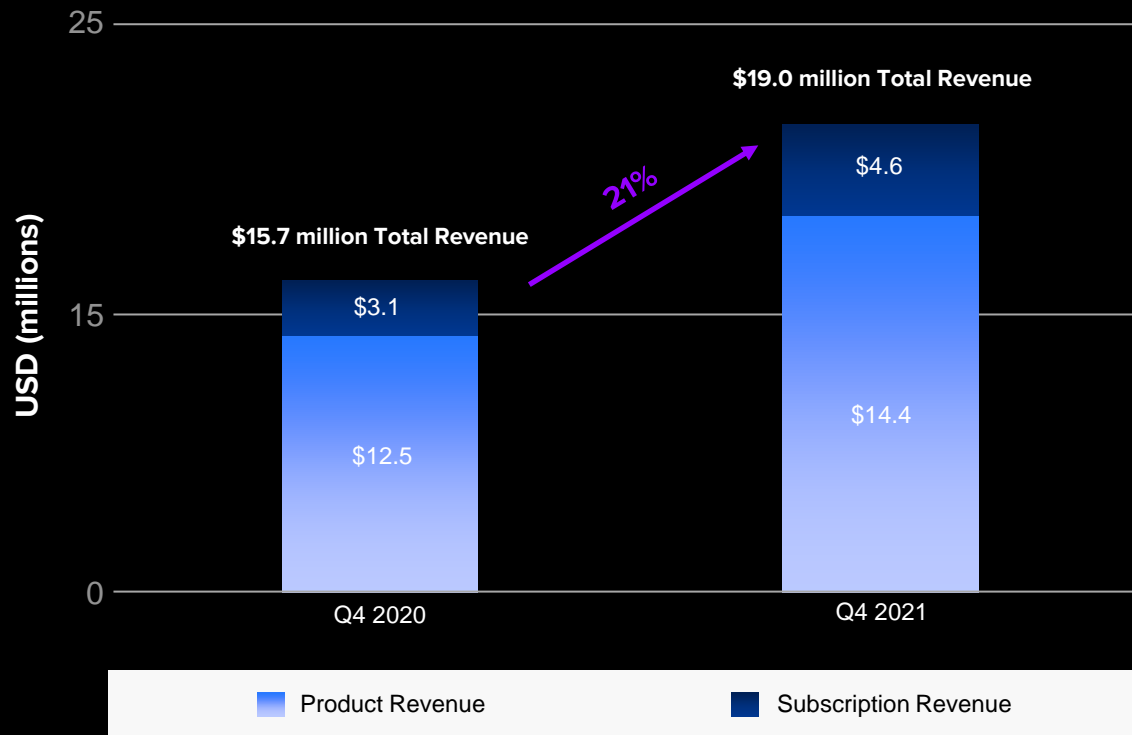
Thinking Differently with Better Information, Earlier in Care

Butterfly is designed to change the paradigm of how clinical decisions are made



Q4 2021 Revenue Growth of 21% Year-over-Year

\$19.0 million total revenue in Q4 2021



Year-over-Year Growth

15% Product Revenue

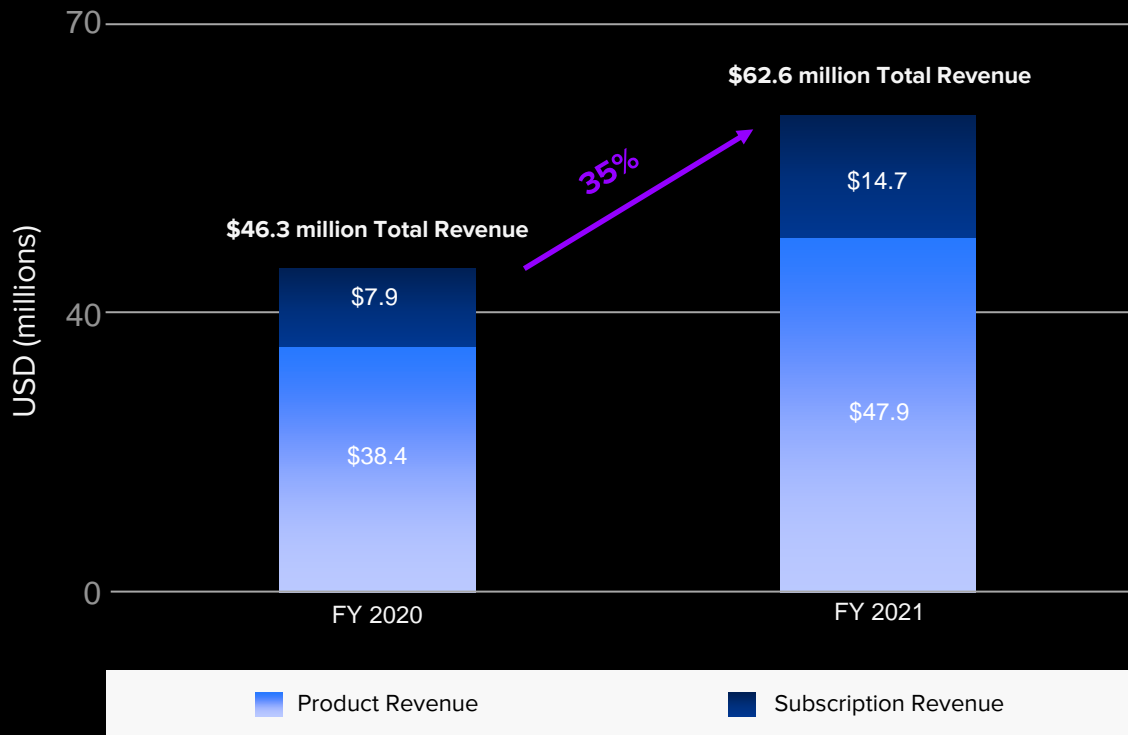
46% Subscription Revenue

21% Overall Revenue

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

Demonstrating Revenue Growth and Business Momentum

2021 Revenue Growth and Evolution



Strengthened our Foundations

- Evolved our business model and go-to-market strategy
- Added key leadership
- Expanded and strengthened corporate infrastructure
- Shaped a product roadmap to align with strategy

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



Butterfly's Reach is Groundbreaking

Strategic pillars for focused innovation and growth across markets

Health Systems



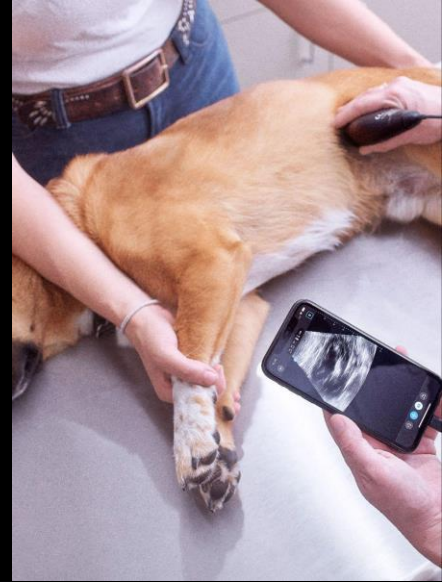
International Expansion



Home



Adjacent Value Streams



Butterfly iQ+ is a prescription device intended for qualified healthcare professionals only. Potential future home use is subject to regulatory authorization



Advancing Execution and Impact

Core principles applied across strategic pillars to drive adoption

Health Systems

International Expansion

Home

Adjacent Value Streams

Easy. Everywhere. Economical.

Butterfly iQ+ is a prescription device intended for qualified healthcare professionals only. Potential future home use is subject to regulatory authorization



Butterfly Makes it Easier to Add Clinical Insight

Designed to deliver better, more effective care with limited training

- Ultrasound is not traditionally utilized by paramedics and most paramedics do not have ultrasound expertise
- In this study, with limited training, paramedics were able to use Butterfly to obtain and interpret cardiac images from patients during out-of-hospital cardiac arrest
- 88% of the images were accurate
- In 1/3 of the cases, these images were used to alter care management

Point-of-Care Ultrasound Use by EMS Providers in Out-of-Hospital Cardiac Arrest



Citation: Kreiser, M., Hill, B., Karki, D., Wood, E., Shelton, R., Peterson, J., . . . Toney, A. (2022). Point-of-Care Ultrasound Use by EMS Providers in Out-of-Hospital Cardiac Arrest. *Prehospital and Disaster Medicine*, 37(1), 39-44. doi:10.1017/S1049023X21001357



Advancing Execution and Impact

Core principles applied across strategic pillars to drive adoption

Health Systems	International Expansion	Home	Adjacent Value Streams

Easy. Everywhere. Economical.



Butterfly Can be Used Everywhere Care is Needed

Bringing emergency care to rural communities





Launched Butterfly Blueprint™ Solution

A system-wide ultrasound platform designed for seamless integration into health systems and built for scale



blueprint™

Built for you. Built for the future of care.

iQ+ Probe.

Handheld, whole-body ultrasound probe.

Compass™ Software.

Integrated, device-agnostic software.

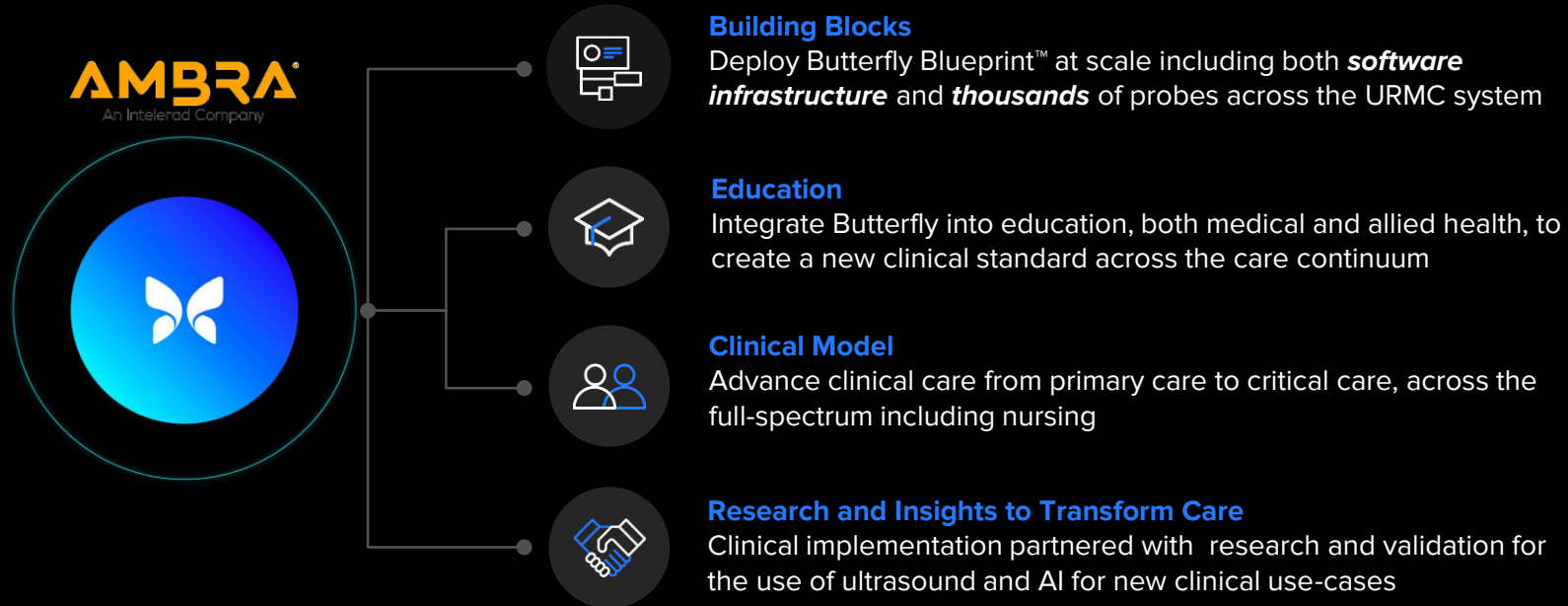
Client Experience.

The people to make it happen.



Launched URMC Partnership to Demonstrate the Power of Butterfly at Scale

Multi-year deployment



Butterfly International: Developed to Developing





Same Information, Same Quality, Regardless of Care Setting

Standardization becomes possible when the information is consistent



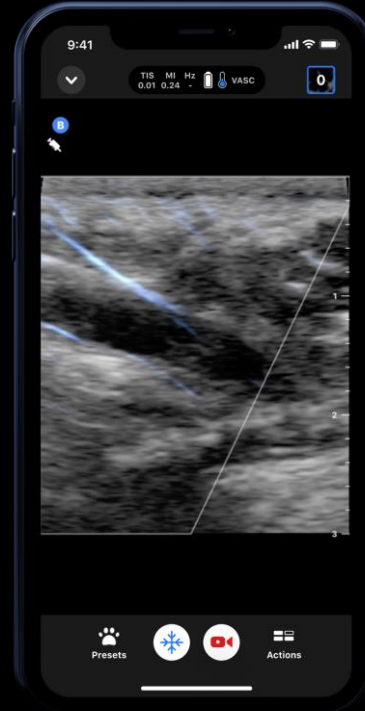
Clinical studies to show the value of Butterfly for home—based care

Butterfly iQ+ is a prescription device intended for qualified healthcare professionals only. Potential future home use is subject to regulatory authorization

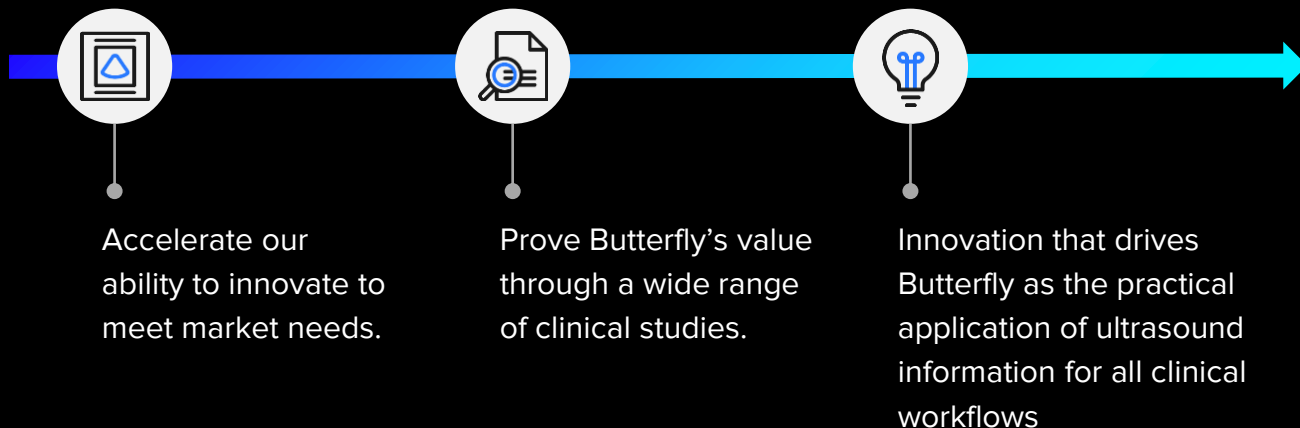


Adjacent Value Streams

Transforming Care in Veterinary Medicine



Investing in Long-Term Growth Initiatives in 2022



iQ+ Probe

User Interface

Education

Blueprint

Sales Capabilities

Partnerships

Vet

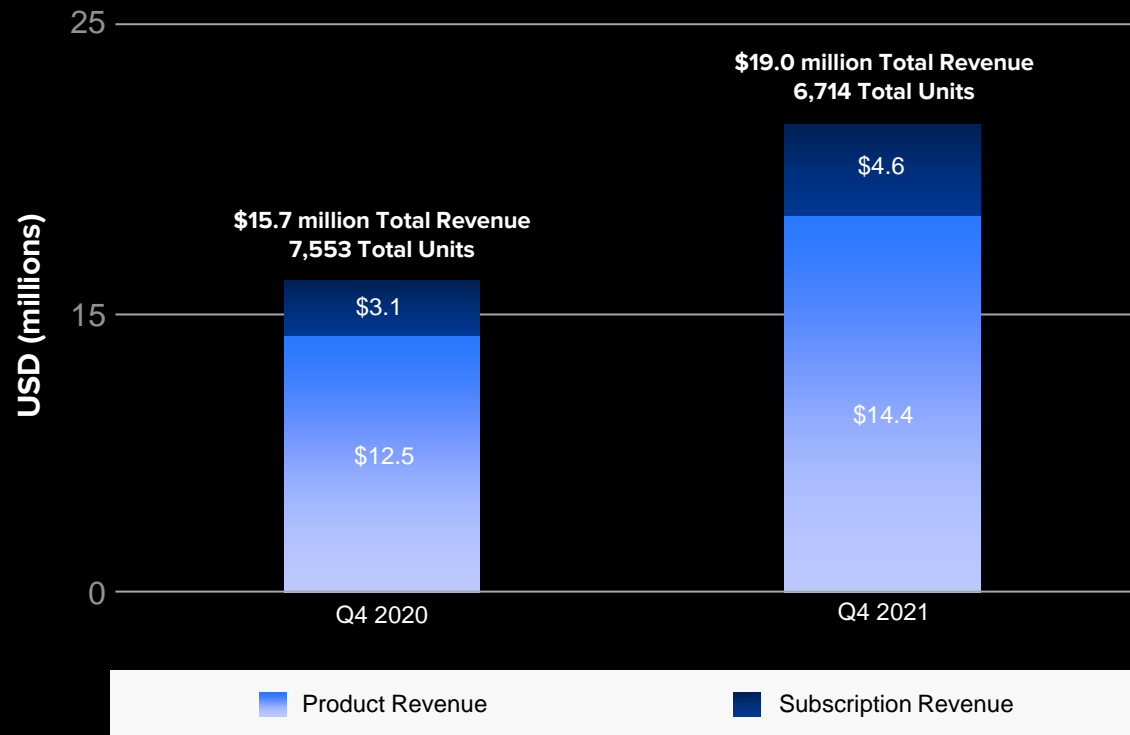
International

Q4 and Full Year 2021 Financials

A decorative graphic consisting of numerous thin, concentric, wavy lines in a light blue color, located in the bottom right corner of the slide.

Total Q4 2021 Revenue Growth of 21% Year-over-Year

\$19.0 million total revenue in Q4 2021



Year-over-Year Growth

15% Product Revenue

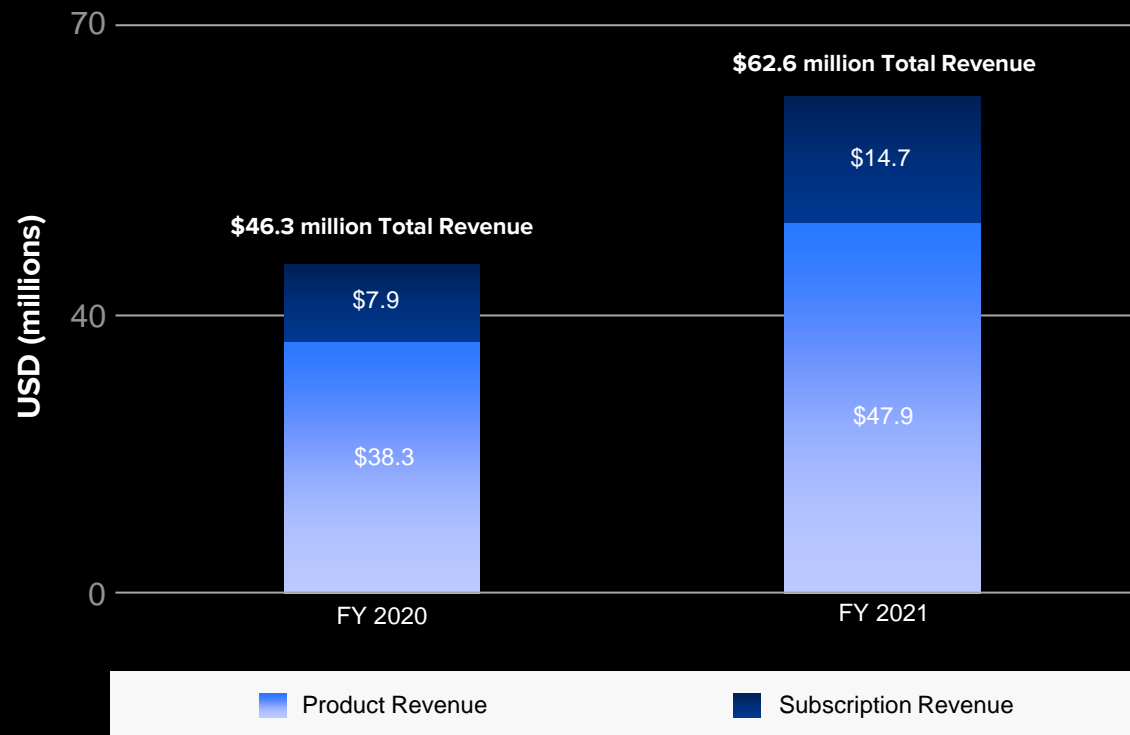
46% Subscription Revenue

21% Overall Revenue

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

Total Full Year 2021 Revenue Growth of 35% Year-over-Year

\$62.6 million total revenue in 2021



Year-over-Year Growth

25% Product Revenue

86% Subscription Revenue

35% Overall Revenue

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

Q4 and FY 2021: Solid Gross and Adjusted Margins and Cash Position



Selected Financials (Dollars in Millions) – Q4 and FY 2021 Compared to Q4 and FY 2020

USD (millions)	Q4 2021	Q4 2020	FY 2021	FY 2020
Gross Profit	\$7.5	\$8.7	\$17.1	(\$61.2)
- Gross Margin (Loss)	39.7%	55.6%	27.3%	(132.4%)
Adjusted Gross Profit*	\$10.1	\$4.9	\$31.6	\$1.6
- Adjusted Gross Margin	53.3%	31.2%	50.5%	3.5%
Operating Expenses	\$52.8	\$30.9	\$209.8	\$100.4
Loss from Operations	(\$45.3)	(\$22.2)	(\$192.7)	(\$161.6)
Net Loss	(\$15.2)	(\$22.9)	(\$32.4)	(\$162.7)
Adjusted EBITDA*	(\$33.3)	(\$21.0)	(\$121.8)	(\$85.2)
Cash and Cash Equivalents and Marketable Securities	\$422.8	\$60.2	\$422.8	\$60.2

*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 2022 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	\$83 million – \$88 million
Revenue Growth	33% – 41%
Net Loss	(\$225 million) – (\$245 million)
Adjusted EBITDA	(\$175 million) – (\$195 million)

Butterfly Makes it Possible *and Practical*



All healthcare Workers
From Nurse to Physician

All Specialties
From Primary Care
to Critical Care

All Care Venues
From Hospital to Home

**Extensive
Versatility**

All Levels of Experience
From Novice to Expert

Economic Values
From Revenue to Cost Savings

Workflow Solutions
From Single Physician Practice
to Complex Health System



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 December 31,		Year ended December 31,	
	2021	2020	2021	2020
Net loss	\$ (15,216)	\$ (22,942)	\$ (32,409)	\$ (162,745)
Interest income	(834)	(47)	(2,573)	(285)
Interest expense	6	723	651	1,141
Change in fair value of warrant liabilities	(30,567)	—	(161,095)	—
Other expense, net	1,257	48	2,577	231
Provision for income taxes	49	7	121	39
Stock based compensation	9,029	3,277	47,798	11,004
Depreciation and amortization	670	412	2,090	1,316
CEO transition costs	—	—	5,398	—
Warranty liability policy change	—	—	(560)	—
Transaction bonus	—	—	1,653	—
Impairments	—	1,390	—	1,390
Loss (gain) on purchase commitments	2,342	(3,880)	13,965	60,113
Inventory write-downs	—	—	582	2,570
Adjusted EBITDA	\$ (33,264)	\$ (21,012)	\$ (121,802)	\$ (85,226)

Adjusted Gross Profit and Gross Margin

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Revenue	\$ 18,987	\$ 15,655	\$ 62,565	\$ 46,252
Cost of revenue	11,447	6,956	45,511	107,475
Gross profit	\$ 7,540	\$ 8,699	\$ 17,054	\$ (61,223)
Gross margin	39.7%	55.6%	27.3%	(132.4)%
Add:				
Depreciation and amortization	245	71	536	140
Warranty liability policy change	—	—	(560)	—
Loss (gain) on purchase commitments	2,342	(3,880)	13,965	60,113
Inventory write-downs	—	—	582	2,570
Adjusted gross profit	\$ 10,127	\$ 4,890	\$ 31,577	\$ 1,600
Adjusted gross margin	53.3%	31.2%	50.5%	3.5%