

Butterfly Network Q1 2024 Earnings Call

May 1, 2024

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. Our actual results may differ from our 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,” “believe,” “predict,” “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, our expectations with respect to financial results, future performance, commercialization and plans to deploy our products and services, development of products and services, the size and potential growth of current or future markets for our products and services and expectations of regaining compliance with the NYSE listing requirements. Forward-looking statements are based on our current beliefs and assumptions and on information currently available to us. These forward-looking statements involve significant known and unknown risks and uncertainties and other factors that could cause the actual results to differ materially from those discussed in the forward-looking statements. Most of these factors are outside our control and are difficult to predict. Factors that may cause such differences include, but are not limited to: our ability to grow and manage growth effectively; the success, cost, and timing of our product and service development activities; the potential attributes and benefits of our products and services; the degree to which our products and services are accepted by healthcare practitioners and patients for their approved uses; our ability to obtain and maintain regulatory approval for our products, and any related restrictions and limitations of any approved product; our ability to identify, in-license, or acquire additional technology; our ability to maintain our existing license, manufacturing, supply, and distribution agreements; our ability to compete with other companies currently marketing or engaged in the development of products and services that we are currently marketing or developing; changes in applicable laws or regulations; the size and growth potential of the markets for our products and services, and our ability to serve those markets, either alone or in partnership with others; the pricing of our products and services, and reimbursement for medical procedures conducted using our products and services; our estimates regarding expenses, revenue, capital requirements, and needs for additional financing; our financial performance; our ability to raise financing in the future; and other risks and uncertainties indicated from time to time in our most recent Annual Report on Form 10-K, as amended, or in subsequent filings that we make with the Securities and Exchange Commission. We caution that the foregoing list of factors is not exclusive. We caution you not to place undue reliance upon any forward-looking statements, which speak only as of the date of this press release. We do 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 our expectations or any change in events, conditions, or circumstances on which any such statement is based.

Rx only (USA). For use by trained healthcare practitioners.

Butterfly™

Transforming Care with the World's First Complete **Ultrasound-on-Chip™ Solution.**



Q1 2024 Highlights

- **Achieved Butterfly's best quarter in history.**
  - 14% revenue growth YoY, with 22% increase in probe volume – *achieved more efficiently with half the cash spend as prior year.*
  - 19% revenue growth in the United States YoY.
  - 14% revenue growth internationally YoY, despite not having iQ3 or advanced iQ+ features in market yet.
- **Launched Butterfly iQ3 in the U.S. ahead of schedule.**
- **Received EU MDR Certification for iQ+ in Europe; soon launching advanced iQ+ features in the EU in Q2.**

Strong iQ3 Entry with Viral Buzz: **1,200+ iQ3's Sold in Only Half a Quarter**

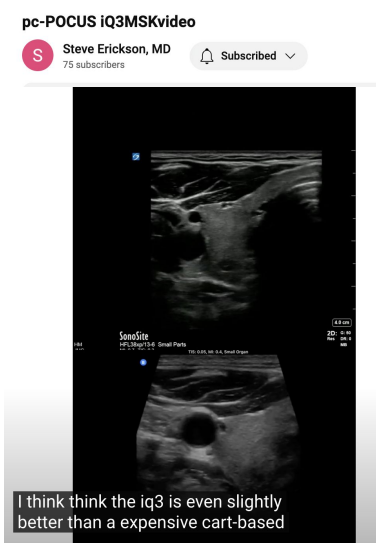
FAST COMPANY

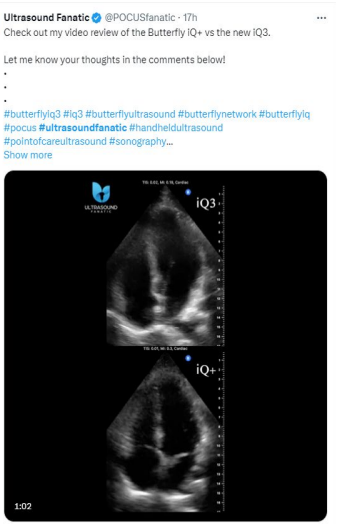
02-29-24

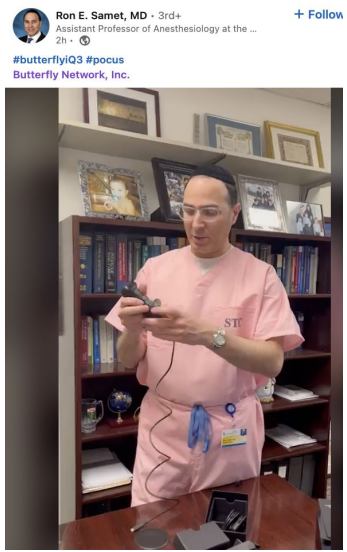
Why this tiny medical device could point to the future of digital health

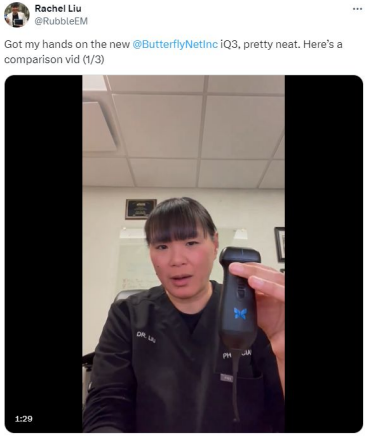
Butterfly Network's digital ultrasound can connect to a smartphone and be used in just about any setting.













Advanced Tools Designed for Diagnostic Efficiency



Less movement more information

Application of iQ Slice™ into Clinical Scanning Protocols.

Within abdominal ultrasound scans, current protocols require a series of scans in different orientations to comprehensively evaluate various anatomical structures. For instance, in liver assessment, the American Institute of Ultrasound in Medicine (AIUM) Liver Ultrasound Guidelines [1] involve static scans in both sagittal and transverse planes, capturing images at 1–cm increments. This extends to real–time scans covering the diaphragm, hepatic veins, portal veins, bile ducts, fissures, ligaments, lobes, gallbladder, and right kidney, each necessitating separate probe position adjustments.

iQ3 Slice" would efficiently streamline the abdominal scanning process. While probe placement in each orientation remains necessary, iQ Slice" allows for the sequential acquisition of multiple slices in each orientation within a single scan, reducing the number of manual sweeps and adjustments required.

This has the potential to expedite the scanning process, enabling a comprehensive overview of liver anatomy and pathologies.

The iQ Slice" feature not only enhances liver assessments but also presents potential advantages in additional clinical scanning protocols, including gallbladder and biliary tree examinations, renal evaluations, and abdominal aorta screening. Table 1 provides a comprehensive overview of the benefits of iQ Slice" Technology in abdominal scanning protocols.

> **iQ Slice™ allows for the sequential acquisition of multiple slices in each orientation within a single scan, reducing the number of manual sweeps and adjustments required.**

The iQ Slice" feature potentially enhances the efficiency of these abdominal scans by reducing the number of sweeps and adjustments required while offering a comprehensive assessment of anatomical structures, revolutionizing traditional scanning protocols. This first–of–its–kind feature is provided not by a high–end ultrasound system but rather by the economical whole–body ultrasound probe from Butterfly Network, showcasing the remarkable technology accessible within this portable and cost–effective device.

Table 1: Benefits of iQ Slice" Technology in Abdominal Scanning Protocols.

Clinical Scanning Protocol	Current Clinical Scanning Protocol	Potential iQ Slice" Benefits
Liver ultrasound [1]	Static scans in sagittal and transverse planes, capturing images at 1–cm increments, covering various liver structures.	Offers the potential for a comprehensive overview of liver anatomy and pathologies with less probe manipulations.
Gallbladder and Biliary Tree [2]	Single–pass scans at 0.5–cm increments through long and transverse axes.	May optimize assessments by providing standardized cross–sections of the biliary system.
Renal Examinations [3]	Scans encompass sagittal, transverse, and coronal planes.	Facilitates the evaluation of kidney morphology and the identification of pathologies such as hydronephrosis.
Abdominal Aorta [4]	Requires longitudinal and transverse images at multiple aorta locations for Screening for abdominal aortic aneurysms (AAA).	May expedite AAA identification and measurement.

Access at: www.butterflynetwork.com/resources

Strong Growth for Enterprise Software Upsells and Momentum in Individual Memberships

Butterfly Compass™ at scale drives economic value for health systems.

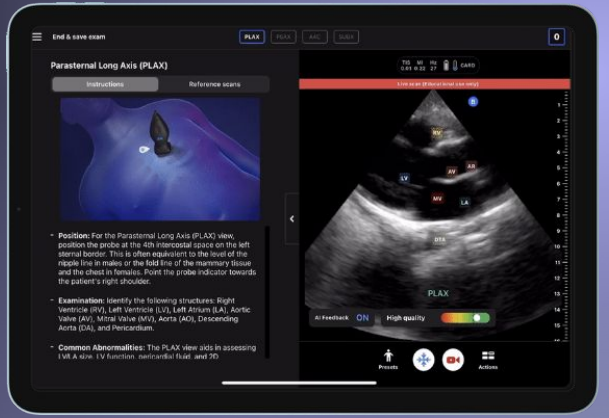
University of Rochester Medical Center saw...

116% Increase

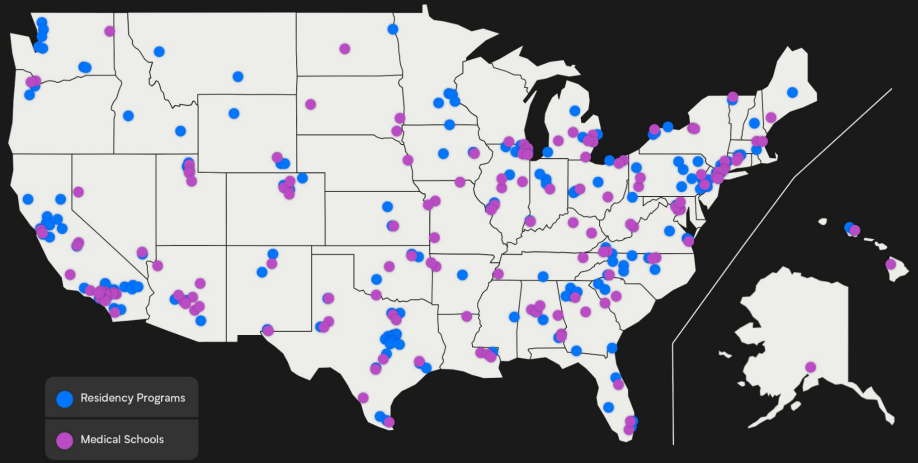
in total POCUS hospital revenue captured in two years since system-wide Compass™ roll out.



Pipeline Continues to Grow for Medical Education, with ScanLab™ Driving Adoption



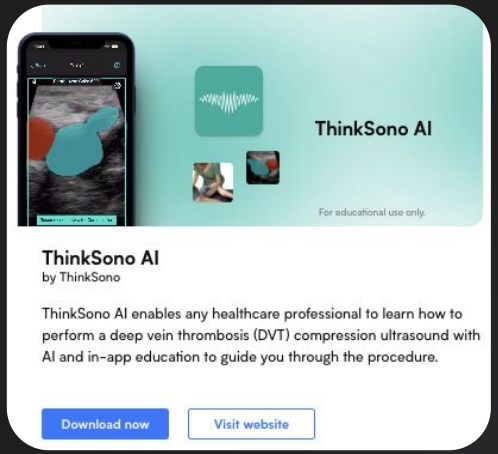
Butterfly in U.S. Medical Education Programs





Powered by Butterfly™

Butterfly Garden™



Strong Pipeline & Partner Progress – First Butterfly Garden App Launched!

Update on the European Union's Restriction of Hazardous Substances (RoHS)

RoHS compliant

European Commission Confirmed Next Handheld Ultrasound Lead Exemption Review to Occur ~Q4 '24 - Q1 '25.

Returns to Growth, Exceeds Q1 Expectations and Raises Full Year Guidance

USD (millions)	Q1 2024	Q1 2023***	Change
Revenue	$17.7	$15.5	14%
Adjusted Gross Margin	58.2%	58.7%	(0.5) pts
Operating expense	$32.9	$44.1	(25%)
Adjusted EBITDA Loss*	$(13.2)	$(22.3)	42%
Cash, Cash Equivalents and Marketable Securities**	$116.8	$138.7	$(21.9)

2024 Revenue Guidance of $75-80 million or about 15-20% growth and Adjusted EBITDA loss guidance of $(55)-$(50) million.

We continue to reduce losses, increase efficiency and support cash runway into 2026.

*reconciliation of Adjusted EBITDA, which is a non-GAAP measure, to the most comparable GAAP measure included in press release
**includes $4.2M of restricted cash on 3/31/24 and 12/31/23
*** except Cash, Cash Equivalents and Marketable Securities which is 12/31/23

Butterfly has become a more efficient business, while investing in long-term growth and innovation.



Updates On Ongoing Supporting Initiatives

EU-MDR

Received certification; launching advanced features to iQ+ devices in CE-mark countries this month.

Butterfly iQ+ Vet™

Vet business continues to strengthen through key partnerships with leading pet corporations and academia.



Launched phase 2 Gates-Funded deployment; 500 iQ+ to South Africa.

iQ+ Bladder™

Coming Soon!

Butterfly's new bladder scanning solution.

Butterfly March 2024 Investor Day Key Takeaways

Butterfly is leading a digital ultrasound revolution with its robust R&D roadmap.

Butterfly Garden and Powered by Butterfly are two programs that will generate meaningful revenue for the company over the next five years.

Butterfly has a business plan in place, and is actively initiating Butterfly HomeCare.

Butterfly's success is inevitable.

Access event replay on-demand at:
https://ir.butterflynetwork.com/events-and-presentations/default.aspx


Thank you!
Questions?