

REFINITIV

DELTA REPORT

10-Q

BUTTERFLY NETWORK, INC.

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1860

█ CHANGES 110
█ DELETIONS 221
█ ADDITIONS 1529

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark)

(Mark One)

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the quarterly period ended March 31, 2024

June 30, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES
EXCHANGE ACT OF 1934

For the transition period from to

Commission File Number: 001-39292

Butterfly Network. Inc.

(Exact

(Exact name of registrant as specified in its charter)

Delaware

84-4618156

(State or other jurisdiction of incorporation or organization) (IRS Employer

Delaware

84-4618156

(State or other jurisdiction of incorporation or organization)

(IRS Employer

Identification No.)

1600 District Avenue

01803

Burlington, Massachusetts

01803

(Address of principal executive offices)

(Zip Code)

(781) 1600 District Avenue

01803

Burlington

,

Massachusetts

(Address of principal executive offices)

(Zip Code)

557-4800

(

781

)

557-4800

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class

Trading

Name of each exchange

Symbol(s) on which registered

Class A common stock, par

BFLY

The

value \$0.0001 per share

New York Stock Exchange

Warrants to purchase one share of Class A common

BFLY WS

The

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, par value \$0.0001 per share	BFLY	The New York Stock Exchange
Warrants to purchase one share of Class A common stock, each at an exercise price of \$11.50 per share	BFLY WS	The New York Stock Exchange

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 dur

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regula

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an "accelerated" "accelerated filer," "smaller" "smaller reporting company," and "emerging" "emerging growth company" in Rule 12b-2 of the Exchange Act.

[REDACTED]

[REDACTED]

[REDACTED]

Large accelerated filer Accelerated filer

[REDACTED]

Non-accelerated filer Smaller reporting company

[REDACTED]

[REDACTED]

Emerging growth company

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or re

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of April 22, 2024 July 18, 2024, the registrant had 184,280,929 186,147,353 shares of Class A common stock outstanding and 26,426,937 shares of Class B commi

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In this Quarterly Report on Form 10-Q, the terms "we," "us," "our," "we," "us," "our," the "Company," "Company," and "Butterfly" "Butterfly" m

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933

the success, cost, and timing of our product development activities;

the potential attributes and benefits of our products and services;

our ability to obtain and maintain regulatory approval for our products, and any related restrictions and limitations of any authorized product;

our ability to identify, in-license, or acquire additional technology;

our ability to maintain our existing license, manufacturing, and supply agreements;

our ability to compete with other companies currently marketing or engaged in the development of ultrasound imaging devices, many of which have greater financial and marketing resources than us;

the size and growth potential of the markets for our products and services, and the ability of each to serve those markets, either alone or in partnership with others;

our estimates regarding expenses, revenue, capital requirements, and needs for additional financing;

our ability to raise financing in the future; and

our financial performance.

- the success, cost, and timing of our product development activities;
- the potential attributes and benefits of our products and services;
- our ability to obtain and maintain regulatory approval for our products, and any related restrictions and limitations of an
- our ability to identify, in-license, or acquire additional technology;
- our ability to maintain our existing license, manufacturing, and supply agreements;
- our ability to compete with other companies currently marketing or engaged in the development of ultrasound imaging devices;
- the size and growth potential of the markets for our products and services, and the ability of each to serve those markets;
- our estimates regarding expenses, revenue, capital requirements, and needs for additional financing;
- our ability to raise financing in the future; and
- our financial performance.

These statements may be preceded by, followed by, or include the words "believes," "estimates," "expects," "projects," "forecasts," "in
"should," "seeks," "plans," "scheduled," "anticipates," "intends," "believes," "estimates," "expects," "projects," "forecasts," "may,"

our growth depends on our ability to attract and retain customers;

our business could be harmed if we fail to manage our growth effectively;

our projections are subject to risks, assumptions, estimates, and uncertainties;

our business is subject to a variety of U.S. and foreign laws, which are subject to change and could adversely affect our business;

the pricing of our products and services, and reimbursement for medical procedures conducted using our products and services;

changes in applicable laws or regulations;

failure to protect or enforce our intellectual property rights could
harm our business, results of operations, and financial condition;

the ability to maintain the listing of our Class A common stock on the New York Stock Exchange; and

economic downturns and political and market conditions beyond our control could
adversely affect our business, financial condition, and results of operations.

- our growth depends on our ability to attract and retain customers;
- our business could be harmed if we fail to manage our growth effectively;
- our projections are subject to risks, assumptions, estimates, and uncertainties;

- our business is subject to a variety of U.S. and foreign laws, which are subject to change and could adversely affect our business;
- the pricing of our products and services, and reimbursement for medical procedures conducted using our products and services;
- changes in applicable laws or regulations;
- failure to protect or enforce our intellectual property rights could harm our business, results of operations, and financial condition;
- the ability to maintain the listing of our Class A common stock on the New York Stock Exchange; and
- economic downturns and political and market conditions beyond our control could adversely affect our business, financial condition, and results of operations.

These and other risks and uncertainties are described in greater detail under the caption "Risk Factors" in Item 1A of Item 1 of Part I.

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PART I — FINANCIAL INFORMATION

Item 1. Financial Statements

BUTTERFLY NETWORK, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share amounts)
(Unaudited)

	March 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 112,652	\$ 134,437
Accounts receivable, net	13,914	13,418
Inventories	74,494	73,022
Current portion of vendor advances	3,979	2,815
Prepaid expenses and other current assets	8,234	7,571
Total current assets	213,273	231,263
Property and equipment, net	24,425	25,321
Intangible assets, net	9,967	10,317
Non-current portion of vendor advances	15,169	15,276
Operating lease assets	15,325	15,675
Other non-current assets	6,129	6,422
Total assets	\$ 284,288	\$ 304,274
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 5,808	\$ 5,090
Deferred revenue, current	14,464	15,625
Accrued purchase commitments, current	131	131
Accrued expenses and other current liabilities	21,139	23,425
Total current liabilities	41,542	44,271
Deferred revenue, non-current	7,217	7,394
Warrant liabilities	1,033	826
Operating lease liabilities	22,252	22,835
Other non-current liabilities	8,240	8,895
Total liabilities	80,284	84,221

Commitments and contingencies (Note 12)		
Stockholders' equity:		
Class A common stock	18	18
	\$	
.0001		
par value;		
600,000,000		
shares authorized at March 31, 2024 and December 31, 2023;		
184,214,377		
and		
181,221,794		
shares		
issued		
and		
outstanding		
at March 31, 2024 and December 31, 2023, respectively		
Class B common stock \$	3	3
.0001		
par value;		
27,000,000		
shares authorized at March 31, 2024 and December 31, 2023;		
26,426,937		
shares issued and outstanding at March 31, 2024 and December 31, 2023		
Additional paid-in capital	955,382	949,670
Accumulated deficit	((
	751,399	729,638
))
Total stockholders' equity	204,004	220,053
Total liabilities and stockholders' equity	\$ 284,288	\$ 304,274

Assets	
Current assets:	
Cash and cash equivalents	
Accounts receivable, net	
Inventories	
Current portion of vendor advances	
Prepaid expenses and other current assets	
Total current assets	
Property and equipment, net	
Intangible assets, net	
Non-current portion of vendor advances	
Operating lease assets	
Other non-current assets	
Total assets	
Liabilities and stockholders' equity	
Current liabilities:	
Accounts payable	
Deferred revenue, current	
Accrued purchase commitments, current	

Accrued expenses and other current liabilities
Total current liabilities
Deferred revenue, non-current
Warrant liabilities
Operating lease liabilities
Other non-current liabilities
Total liabilities
Commitments and contingencies (Note 12)
Stockholders' equity:
Class A common stock \$.0001 par value; 600,000,000 shares authorized at June 30, 2024 and December 31, 2023; 186,037,697 and 181,221, shares issued
Class B common stock \$.0001 par value; 27,000,000 shares authorized at June 30, 2024 and December 31, 2023; 26,426,937 shares issued
Additional paid-in capital
Accumulated deficit
Total stockholders' equity
Total liabilities and stockholders' equity

The accompanying notes are an integral part of these condensed consolidated financial statements.

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BUTTERFLY NETWORK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

(In

(In thousands, except share and per share amounts)

(Unaudited)

	Three months ended March 31,	
	2024	2023
Revenue:		
Product	\$ 11,291	\$ 8,848
Software and	6,365	6,628
other services		
Total revenue	17,656	15,476
Cost of revenue:		
Product	5,096	4,349
Software and	2,284	2,038
other services		
Total cost	7,380	6,387
of revenue		
Gross profit	10,276	9,089
Operating		
expenses:		
Research and	10,720	16,651
development		

Sales and marketing	10,378	10,034
General and administrative	10,442	11,019
Other	1,357	6,432
Total operating expenses	32,897	44,136
Loss from operations	(22,621	35,047
))
Interest income	1,511	1,784
Interest expense	(300	-
))
Change in fair value of warrant liabilities	(207	207
))
Other (expense)	(141	17
))
Loss before provision for income taxes	(21,758	33,453
))
Provision for income taxes	3	87
))
Net loss and comprehensive loss	\$ 21,761	\$ 33,540
))
Net loss per common share attributable to Class A and B common stockholders, basic and diluted	\$ 0.10	0.17
))
Weighted-average shares used to compute net loss per share attributable to Class A and B common stockholders, basic and diluted	208,873,449	202,565,877

Revenue:
 Product
 Software and other services
Total revenue
 Cost of revenue:
 Product
 Software and other services
Total cost of revenue
Gross profit
 Operating expenses:
 Research and development
 Sales and marketing
 General and administrative
 Other
Total operating expenses
Loss from operations

Interest income
Interest expense
Change in fair value of warrant liabilities
Other expense, net
Loss before provision for income taxes
Provision (benefit) for income taxes
Net loss and comprehensive loss
Net loss per common share attributable to Class A and B common stockholders, basic and diluted
Weighted-average shares used to compute net loss per share attributable to Class A and B common stockholders, basic and diluted

The accompanying notes are an integral part of these condensed consolidated financial statements.

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BUTTERFLY NETWORK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

(In

(In thousands, except share amounts)

(Unaudited)

Three months ended March 31, 2024

	Class A		Class B		Additional			Stockholders' Equity
	Common		Common		Paid-In	Accumulated	Total	
	Stock	Shares	Amount	Shares	Amount	Capital	Deficit	
December 31, 2023	181,221,794	\$ 18	26,426,937	\$ 3	\$ 949,670	\$ (\$ 220,053	
						729,638)
Net loss	-	-	-	-	-	-	(21,761	21,761
Common stock issued upon vesting of restricted stock units	2,992,583	-	-	-	-	-	-	-
Stock-based compensation expense	-	-	-	-	-	5,712	-	5,712
March 31, 2024	184,214,377	\$ 18	26,426,937	\$ 3	\$ 955,382	\$ (751,399	\$ 204,004)

Three months ended March 31, 2023

		Class A		Class B				
		Common		Common		Additional		Total
		Stock		Stock		Paid-In	Accumulated	Stockholders'
		Shares	Amount	Shares	Amount	Capital	Deficit	Equity
December		174,459,956	\$ 17	26,426,937	\$ 3	\$ 921,278	\$ (\$ 325,360
31, 2022							595,938	
)	
Net		-	-	-	-	-	((
loss							33,540	33,540
))
Common stock issued upon vesting of restricted stock units	2,908,543	1		-	-	-	-	1
Stock-based compensation expense	-	-	-	-	-	4,326	-	4,326
March 31,		177,368,499	\$ 18	26,426,937	\$ 3	\$ 925,604	\$ (\$ 296,147
2023							629,478	
)	

Three months ended June 30, 2024

		Class A		Class B				
		Common		Common		Additional		Total
		Stock		Stock		Paid-In	Accumulated	Stockholders'
		Shares	Amount	Shares	Amount	Capital	Deficit	Equity
March 31, 2024		184,214,377	\$ 18	26,426,937	\$ 3	\$ 955,382	\$ (751,399)	\$ 204,004
Net loss		-	-	-	-	-	(15,706)	(15,706)
Common stock issued upon vesting of restricted stock units	1,823,320	1		-	-	-	-	1
Stock-based compensation expense	-	-	-	-	-	5,981	-	5,981
June 30, 2024		186,037,697	\$ 19	26,426,937	\$ 3	\$ 961,363	\$ (767,105)	\$ 194,280

Three months ended June 30, 2023

		Class A		Class B				
		Common		Common		Additional		Total
		Stock		Stock		Paid-In	Accumulated	Stockholders'
		Shares	Amount	Shares	Amount	Capital	Deficit	Equity
March 31, 2023		177,368,499	\$ 18	26,426,937	\$ 3	\$ 925,604	\$ (629,478)	\$ 296,147
Net loss		-	-	-	-	-	(28,671)	(28,671)
Common stock issued upon exercise of stock options	124,660	-		-	-	136	-	136
Common stock issued upon vesting of restricted stock units	2,227,759	-		-	-	-	-	-
Stock-based compensation expense	-	-	-	-	-	10,093	-	10,093
June 30, 2023		179,720,918	\$ 18	26,426,937	\$ 3	\$ 935,833	\$ (658,149)	\$ 277,705

Six months ended June 30, 2024

		Class A		Class B				
		Common		Common		Additional		Total
		Stock		Stock		Paid-In	Accumulated	Stockholders'
		Shares	Amount	Shares	Amount	Capital	Deficit	Equity (Deficit)
December 31, 2023		181,221,794	\$ 18	26,426,937	\$ 3	\$ 949,670	\$ (729,638)	\$ 220,053

Net loss	—	—	—	—	—	(37,467)	(37,467)
Common stock issued upon vesting of restricted stock units	4,815,903	1	—	—	—	—	1
Stock-based compensation expense	—	—	—	—	11,693	—	11,693
June 30, 2024	186,037,697	\$ 19	26,426,937	\$ 3	\$ 961,363	\$ (767,105)	\$ 194,280

Six months ended June 30, 2023

	Class A		Class B				
	Common		Common		Additional		Total
	Stock	Stock	Stock	Capital	Accumulated	Stockholders'	
December 31, 2022	174,459,956	\$ 17	26,426,937	\$ 3	\$ 921,278	\$ (595,938)	\$ 325,360
Net loss	—	—	—	—	—	(62,211)	(62,211)
Common stock issued upon exercise of stock options	124,660	—	—	—	136	—	136
Common stock issued upon vesting of restricted stock units	5,136,302	1	—	—	—	—	1
Stock-based compensation expense	—	—	—	—	14,419	—	14,419
June 30, 2023	179,720,918	\$ 18	26,426,937	\$ 3	\$ 935,833	\$ (658,149)	\$ 277,705

The accompanying notes are an integral part of these condensed consolidated financial statements.

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BUTTERFLY NETWORK, INC.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(In

(In thousands)

(Unaudited)

Three months ended March 31,

2024

2023

Cash flows from operating activities:

Net loss	\$ (21,761)	\$ 33,540
)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, amortization, and impairments	2,584	2,113
Non-cash interest expense	299	
Write-down of inventories	(81	
)
Stock-based compensation expense	5,524	4,189
Change in fair value of warrant liabilities	207	207
Other	244	
		708

Changes in operating assets and liabilities:		
Accounts receivable	(1,071
	751	
)	
Inventories	(
	1,391	9,431
)	
Prepaid expenses and other assets	(
	376	3,171
)	
Vendor advances	(2,261
	1,057	
)	
Accounts payable	703	
		1,561
Deferred revenue	(
	1,338	1,531
)	
Accrued purchase commitments	-	
		1,611
Change in operating lease assets and liabilities	(171
	163	
)	
Accrued expenses and other liabilities	(
	3,310	1,691
)	
Net cash used in operating activities	(
	20,667	43,251
)	
Cash flows from investing activities:		
Purchases of marketable securities	-	
		291
Sales of marketable securities	-	76,481
Purchases of property, equipment, and intangible assets, including capitalized software	(
	1,138	1,341
)	
Sales of property and equipment	-	101
Net cash (used in) provided by investing activities	(74,851
	1,138	
)	
Cash flows from financing activities:		
Net cash provided by financing activities	-	
Net (decrease) increase in cash, cash equivalents, and restricted cash	(31,601
	21,805	
)	
Cash, cash equivalents, and restricted cash, beginning of period	138,650	166,821
Cash, cash equivalents, and restricted cash, end of period	\$ 116,845	\$ 198,431

	Six months ended June 30,	
	2024	2023
Cash flows from operating activities:		
Net loss	\$ (37,467)	\$ (62,211)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation, amortization, and impairments	5,217	4,305
Non-cash interest expense	607	—
Write-down of inventories	(81)	—
Stock-based compensation expense	11,383	14,109
Change in fair value of warrant liabilities	(413)	(413)
Other	462	(651)
Changes in operating assets and liabilities:		
Accounts receivable	(3,165)	(3,293)
Inventories	(1,072)	(26,855)
Prepaid expenses and other assets	165	(615)
Vendor advances	(1,396)	9,534
Accounts payable	(587)	1,390
Deferred revenue	(908)	(1,062)
Accrued purchase commitments	—	(1,615)
Change in operating lease assets and liabilities	(348)	196
Accrued expenses and other liabilities	(3,064)	(2,557)
Net cash used in operating activities	(30,667)	(69,738)
Cash flows from investing activities:		
Purchases of marketable securities	—	(297)
Sales of marketable securities	—	76,484
Purchases of property, equipment, and intangible assets, including capitalized software	(1,872)	(2,223)
Sales of property and equipment	35	10
Net cash (used in) provided by investing activities	(1,837)	73,974
Cash flows from financing activities:		
Proceeds from exercise of stock options and warrants	—	136
Net cash provided by financing activities	—	136
Net (decrease) increase in cash, cash equivalents, and restricted cash	(32,504)	4,372
Cash, cash equivalents, and restricted cash, beginning of period	138,650	166,828
Cash, cash equivalents, and restricted cash, end of period	\$ 106,146	\$ 171,200

The accompanying notes are an integral part of these condensed consolidated financial statements.

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BUTTERFLY NETWORK, INC.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Description of Business

The Company is an innovative digital health business transforming care with hand-held, whole-body ultrasound. Powered by

The Company was incorporated in Delaware on February 4, 2020 as Longview Acquisition Corp. ("Longview" ("Longview"). Foll

The Company operates wholly-owned subsidiaries in Australia, Germany, the Netherlands, Taiwan, and the United Kingdom.

The Company has incurred net losses and negative cash flows from operating activities in each year since inception, and **112.7**

\$102.1 million at **March 31, 2024** **June 30, 2024** will be sufficient to fund operations and capital requirements for

Note 2. Summary of Significant Accounting Policies

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements include the accounts of the Company and its wholly-owned sul

The condensed consolidated balance sheet as of December 31, 2023, included herein, was derived from the audited consolidat

In the opinion of management, the accompanying condensed consolidated financial statements reflect all normal and recur

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentration of credit risk consist principally of cash a

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As of **March 31, 2024** **June 30, 2024** and December 31, 2023, no customer accounted for more than 10% of the Company's Company

2024 **June 30, 2024** and 2023.

Segment Reporting

The Company's Company's Chief Operating Decision Maker ("CODM" ("CODM"), its Chief Executive Officer, reviews the Company's

Use of Estimates

The Company makes estimates and assumptions about future events that affect the amounts reported in its condensed consolidat

The Company bases these estimates on historical and anticipated results and trends and on various other assumptions that

Operating Expenses - Other

The Company classifies certain operating expenses that are not representative of the Company's Company's ongoing operatio

Three months ended March 31,		
	2024	2023
Employment-related expenses	\$ (3,618	\$ 3,618
	56	
)	
Legal-related expenses	1,413	2,814
Total other	\$ 1,357	\$ 6,432

	Three months ended June 30,		Six months ended June 30,	
	2024		2023	
	2024	2023	2024	2023
Employment-related expenses	\$ 26	\$ 261	\$ (30)	\$ 3,879
Legal-related expenses	580	1,911	1,994	4,726
Total other	\$ 606	\$ 2,172	\$ 1,964	\$ 8,605

Recent Accounting Pronouncements Issued but Not Yet Adopted

In November 2023, the Financial Accounting Standards Board issued Accounting Standards Update 2023-07, *Segment Reporting*

In December 2023, the Financial Accounting Standards Board issued Accounting Standards Update 2023-09, *Income Taxes (Top*

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Note 3. Revenue Recognition

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by product type and by geographical market. The Company I

		Pattern of		Three months ended March 31,	
		Recognition		2024	2023
By product type:					
Devices and accessories	Point-in-time	\$ 11,291		\$ 8,848	
Software and other services	Over time	6,365		6,628	
Total revenue		\$ 17,656		\$ 15,476	
By geographical market:					
United States		\$ 13,737		\$ 12,005	
International		3,919		3,471	
Total revenue		\$ 17,656		\$ 15,476	

	Pattern of	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
By product type:					
Devices and accessories	Point-in-time	\$ 14,648	\$ 12,273	\$ 25,939	\$ 21,121
Software and other services	Over time	6,839	6,214	13,204	12,842
Total revenue		\$ 21,487	\$ 18,487	\$ 39,143	\$ 33,963
By geographical market:					
United States		\$ 17,039	\$ 15,491	\$ 30,775	\$ 27,496

International	4,448	2,996	8,368	6,467
Total revenue	\$ 21,487	\$ 18,487	\$ 39,143	\$ 33,963

Contract Balances

Contract balances represent amounts presented in the condensed consolidated balance sheets when the Company has either ~~the~~ ~~2.0~~ million \$2.2 million and ~~1.8~~ million \$1.8 million as of ~~March 31, 2024~~ June 30, 2024 and December 31, 2023, respectively. For the three months ended ~~March 31, 2024~~ June 30, 2024, the Company had ~~6.0~~ million \$6.1 million and ~~6.2~~ million, \$6.3 million, respectively, of revenue that was included in the deferred revenue balance at the beginning of the period.

Transaction Price Allocated to Remaining Performance Obligations

As of ~~March 31, 2024~~ June 30, 2024 and December 31, 2023, the Company had ~~\$32.7~~ million \$31.7 million and ~~\$32.0~~ million, \$32.0 million, respectively, of remaining performance obligations. As of ~~March 31, 2024~~ June 30, 2024, the Company expects to recognize ~~59~~ % 60% of its remaining performance obligations as revenue in the next twelve months and an additional ~~41~~ % 40% thereafter.

Note 4. Fair Value of Financial Instruments

Fair value estimates of financial instruments are made at a specific point in time, based on relevant information about the instrument. The Company measures fair value as the price that would be received to sell an asset or paid to transfer a liability (an outflow of economic benefits) in an orderly transaction between market participants at the measurement date.

Level 1

- Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to

Level 2

- Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable data for substantially the full term of the assets or liabilities.

- **Level 1** – Valuations based on quoted prices in active markets for identical assets or liabilities that an entity has the ability to
- **Level 2** – Valuations based on quoted prices for similar assets or liabilities, quoted prices for identical assets or

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Level 3

- Valuations based on inputs that are supported by little or no market activity and that are significant to the

fair value of the assets or liabilities. The Company has no assets or liabilities valued with Level 3 inputs.

• **Level 3** – Valuations based on inputs that are supported by little or no market activity and that are significant to the carrying values of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximately.

The carrying values of cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses approximately.

There were no transfers between fair value measurement levels during the periods ended **March 31, 2024** **June 30, 2024** and **December 31, 2023**.

The Company's outstanding warrants include publicly traded warrants (the "Public Warrants") and privately held warrants ("Private Warrants"). As of **March 31, 2024** **June 30, 2024**, there were an aggregate of 13,799,357 and 6,853,333 outstanding warrants at a price of \$11.50 per share, subject to adjustment per the warrant agreements. The warrants will expire on February 12, 2026 or earlier if exercised.

The Company measures its Public Warrants using Level 1 fair value inputs based on quoted prices in active markets for the same or similar instruments.

The following table summarizes the Company's assets and liabilities that are measured at fair value on a recurring basis.

	Fair Value Measurement Level			
	Total	Level 1	Level 2	Level 3
March 31, 2024:				
Warrants:				
Public Warrants	\$ 690	\$ 690	\$ -	\$ -
Private Warrants	343	-	343	-
Total liabilities at fair value on a recurring basis	\$ 1,033	\$ 690	\$ 343	\$ -
December 31, 2023:				
Warrants:				
Public Warrants	\$ 552	\$ 552	\$ -	\$ -
Private Warrants	274	-	274	-
Total liabilities at fair value on a recurring basis	\$ 826	\$ 552	\$ 274	\$ -

	Fair Value Measurement Level			
	Total	Level 1	Level 2	Level 3
June 30, 2024:				
Warrants:				
Public Warrants	\$ 276	\$ 276	\$ -	\$ -
Private Warrants	137	-	137	-
Total liabilities at fair value on a recurring basis	\$ 413	\$ 276	\$ 137	\$ -
December 31, 2023:				
Warrants:				
Public Warrants	\$ 552	\$ 552	\$ -	\$ -
Private Warrants	274	-	274	-
Total liabilities at fair value on a recurring basis	\$ 826	\$ 552	\$ 274	\$ -

Note 5. Inventories

The following table summarizes the Company's inventories (in thousands):

	March 31,	December 31,
	2024	2023
Raw materials	\$ 49,692	49,366
Work-in-progress	2,587	3,384
Finished goods	22,215	20,272
Total inventories	\$ 74,494	\$ 73,022

	June 30,	December 31,
	2024	2023
Raw materials	\$ 49,572	\$ 49,366
Work-in-progress	2,951	3,384
Finished goods	21,652	20,272
Total inventories	\$ 74,175	\$ 73,022

Work-in-progress represents inventory items in intermediate stages of production by third-party manufacturers. For the fiscal years ended **June 30, 2024** and **2023**, net realizable value inventory adjustments and excess and obsolete

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inventory charges were not significant and were recognized in product cost of revenue. See Note 12 "Commitments" Commitments.

Note 6. Property and Equipment, Net

The following table summarizes the Company's property and equipment, net (in thousands):

	March 31,	December 31,
	2024	2023
Property and equipment, gross	\$ 44,663	\$ 43,516
Less: accumulated depreciation and amortization	((
	20,238	18,195
))
Property and equipment, net	\$ 24,425	\$ 25,321

	June 30, 2024	December 31, 2023
Property and equipment, gross	\$ 45,486	\$ 43,516
Less: accumulated depreciation and amortization	(22,519)	(18,195)
Property and equipment, net	\$ 22,967	\$ 25,321

Note 7. Restricted Cash

The following table reconciles cash, cash equivalents, and restricted cash from the condensed consolidated balance sheet:

	March
	2024
Reconciliation of cash, cash equivalents and restricted cash:	
Cash and cash equivalents	\$ 112,652
Restricted cash included within prepaid expenses and other current assets	179
Restricted cash included within other non-current assets	4,014
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	\$ 116,845

	June
	2024
Reconciliation of cash, cash equivalents and restricted cash:	
Cash and cash equivalents	\$102,051
Restricted cash included within prepaid expenses and other current assets	80
Restricted cash included within other non-current assets	4,015
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	\$106,146

Restricted cash included within prepaid expenses and other current assets is restricted by an agreement with the Bill & I

Note 8. Accrued Expenses and Other Current Liabilities

The following table summarizes the **Company's** accrued expenses and other current liabilities (in thousands):

	March 31, 2024	December 31, 2023
Employee compensation	\$ 5,002	\$ 9,442
Customer deposits	1,751	1,613
Accrued warranty liability	289	297
Non-income tax	2,118	1,197
Professional fees	3,705	2,481
Current portion of operating lease liabilities	2,262	2,192
Other	6,012	6,203
Total accrued expenses and other current liabilities	\$ 21,139	\$ 23,425

	June 30, 2024	December 31, 2023
Employee compensation	\$ 5,571	\$ 9,442
Customer deposits	1,767	1,613
Accrued warranty liability	382	297
Non-income tax	2,074	1,197
Professional fees	3,146	2,481
Current portion of operating lease liabilities	2,322	2,192
Other	6,124	6,203
Total accrued expenses and other current liabilities	\$ 21,386	\$ 23,425

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The following table summarizes warranty expense activity (in thousands):

	Three months ended March 31,	
	2024	2023
Balance, beginning of period	\$ 697	\$ 873
Warranty provision charged to operations	96	(
		44
)
Warranty claims	((
	149	35
))
Balance, end of period	\$ 644	\$ 794

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Balance, beginning of period	\$ 644	\$ 794	\$ 697	\$ 873
Warranty provision charged to operations	387	(7)	483	(51)
Warranty claims	(219)	–	(368)	(35)
Balance, end of period	<u>\$ 812</u>	<u>\$ 787</u>	<u>\$ 812</u>	<u>\$ 787</u>

The Company classifies its accrued warranty liability based on the timing of expected warranty activity. The future cost:

Note 9. Stock-Based Compensation

Equity Incentive Plans

For the three and six months ended **March 31, 2024** **June 30, 2024**, there were no significant changes to the Company's Company %4% of the number of outstanding shares of common stock as of January 1, 2024.

Stock Option Activity

The following table summarizes the changes in the Company's Company's outstanding stock options:

	Number of Options
Outstanding at December 31, 2023	7,439,187
Granted	–
Exercised	–
Forfeited	(
	288,029
)
Outstanding at March 31, 2024	7,151,158

	Number of Options
Outstanding at December 31, 2023	7,439,187

Granted	—
Exercised	—
Forfeited	(416,448)
Outstanding at June 30, 2024	7,022,739

Generally, each award vests based on continued service per the award agreement. The grant date fair value of the award is:

Restricted Stock Unit Activity

The following table summarizes the changes in the Company's outstanding restricted stock units ("RSUS" ("RSUs")):

	Number of RSUs
Outstanding at December 31, 2023	15,569,983
Granted	10,600,519
Vested	(2,992,583)
Forfeited	(205,422)
Outstanding at March 31, 2024	22,972,497

	Number of RSUS
Outstanding at December 31, 2023	15,569,983
Granted	11,713,683
Vested	(4,815,903)
Forfeited	(523,363)
Outstanding at June 30, 2024	21,944,400

Generally, each award vests based on continued service per the award agreement. The grant date fair value of the award is:

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Included in the table above are market-based RSUs granted in 2023 that include a service condition. The market-based condition is:

Table of Contents The service condition for these awards is satisfied by providing service to the Company through the accrual of:

Employee Stock Purchase Plan

The Company's 2024 Employee Stock Purchase Plan (the "ESPP") was approved by the Board and the Company's stockholders in:

Stock-Based Compensation Expense

The following table summarizes the Company's stock-based compensation expense (in thousands):

	Three months ended March 31,	
	2024	2023
Research and development	\$ 2,019	\$ 2,194
Sales and marketing	1,107	621
General and administrative	2,398	1,370
Total stock-based compensation expense	\$ 5,524	\$ 4,185

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Research and development	\$ 1,943	\$ 3,197	3,962	5,391
Sales and marketing	1,155	1,316	2,262	1,937
General and administrative	2,760	5,411	5,159	6,781
Total stock-based compensation expense	\$ 5,858	\$ 9,924	\$ 11,383	\$ 14,109

Prior period stock-based compensation expense that was classified as cost of revenue is now included in research and development.

Note 10. Net Loss Per Share

We compute net loss per share of Class A and Class B common stock using the two-class method. Basic net loss per share is

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As the Company uses the two-class method required for companies with multiple classes of common stock, the following table

Three months ended	Total		
March 31, 2024	Class A	Class B	Common Stock
Numerator:			
Allocation of undistributed earnings	\$ 19,008	2,753	21,761
)))
Numerator for basic and diluted net loss per share - loss available to common stockholders	\$ 19,008	2,753	21,761
)))
Denominator:			
Weighted-average common shares outstanding	182,446,512	26,426,937	208,873,449
Denominator for basic and diluted net loss per share - weighted-average common stock	182,446,512	26,426,937	208,873,449

Basic and diluted	\$	(\$	(\$	(
net loss per share		0.10		0.10		0.10
)))

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Three months ended June 30, 2024

	Class A	Class B
Numerator:		
Allocation of undistributed earnings	\$ (13,745)	\$ (1,961)
Numerator for basic and diluted net loss per share - loss available to common stockholders	<u><u>\$ (13,745)</u></u>	<u><u>\$ (1,961)</u></u>
Denominator:		
Weighted-average common shares outstanding	185,236,617	26,426,937
Denominator for basic and diluted net loss per share - weighted-average common stock	<u><u>185,236,617</u></u>	<u><u>26,426,937</u></u>
Basic and diluted net loss per share	<u><u>\$ (0.07)</u></u>	<u><u>\$ (0.07)</u></u>

Three months ended June 30, 2023

	Class A	Class B
Numerator:		
Allocation of undistributed earnings	\$ (24,973)	\$ (3,698)
Numerator for basic and diluted net loss per share - loss available to common stockholders	<u><u>\$ (24,973)</u></u>	<u><u>\$ (3,698)</u></u>
Denominator:		
Weighted-average common shares outstanding	178,468,404	26,426,937
Denominator for basic and diluted net loss per share - weighted-average common stock	<u><u>178,468,404</u></u>	<u><u>26,426,937</u></u>
Basic and diluted net loss per share	<u><u>\$ (0.14)</u></u>	<u><u>\$ (0.14)</u></u>

Six months ended June 30, 2024

	Class A	Class B
Numerator:		
Allocation of undistributed earnings	\$ (32,758)	\$ (4,709)
Numerator for basic and diluted net loss per share - loss available to common stockholders	<u><u>\$ (32,758)</u></u>	<u><u>\$ (4,709)</u></u>
Denominator:		
Weighted-average common shares outstanding	183,841,564	26,426,937
Denominator for basic and diluted net loss per share - weighted-average common stock	<u><u>183,841,564</u></u>	<u><u>26,426,937</u></u>
Basic and diluted net loss per share	<u><u>\$ (0.18)</u></u>	<u><u>\$ (0.18)</u></u>

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Three months ended	
March 31, 2023	
	Total

	Class A	Class B	Common Stock
Numerator:			
Allocation of undistributed earnings	\$ 29,164	(4,376)	(33,540)
)))
Numerator for basic and diluted net loss per share - loss available to common stockholders	\$ 29,164	(4,376)	(33,540)
)))
Denominator:			
Weighted-average common shares outstanding	176,138,940	26,426,937	202,565,877
Denominator for basic and diluted net loss per share - weighted-average common stock	176,138,940	26,426,937	202,565,877
Basic and diluted net loss per share	\$ 0.17	(0.17)	0.17
)))

Six months ended June 30, 2023

	Class A	Class B
Numerator:		
Allocation of undistributed earnings	\$ (54,142)	\$ (8,069)
Numerator for basic and diluted net loss per share - loss available to common stockholders	\$ (54,142)	\$ (8,069)
Denominator:		
Weighted-average common shares outstanding	177,310,107	26,426,937
Denominator for basic and diluted net loss per share - weighted-average common stock	177,310,107	26,426,937
Basic and diluted net loss per share	\$ (0.31)	\$ (0.31)

For the periods presented above, the net loss per share amounts are the same for Class A and Class B common stock because

The following table summarizes the Company's anti-dilutive common equivalent shares:

	March 31,	
	2024	2023
Outstanding options to purchase common stock	7,151,158	10,358,769
Outstanding restricted stock units	22,972,497	16,250,193
Outstanding warrants	20,652,690	20,652,690
Total anti-dilutive common equivalent shares	50,776,345	47,261,652

	June 30,	
	2024	2023
Outstanding options to purchase common stock	7,022,739	9,262,296
Outstanding restricted stock units	21,944,400	17,738,585
Outstanding warrants	20,652,690	20,652,690
Total anti-dilutive common equivalent shares	49,619,829	47,653,571

Note 11. 401(k) Retirement Plan

The Company sponsors a 401(k) defined contribution plan covering all eligible U.S. employees. Contributions to the 401(k) \$0.2 million \$0.2 million and \$0.2 million, \$0.2 million, respectively. For the six months ended June 30, 2024 and 2023, expenses for matching 401(k) contri

Note 12. Commitments and Contingencies

Commitments

Leases:

The Company primarily enters into leases for office space that are classified as operating leases. For the three months \$0.7 million \$0.7 million and \$1.0 million, \$1.0 million, respectively. For the six months ended June 30, 2024 and 2023, total lease cost was \$1.5 million a

Purchase Commitments:

The Company enters into inventory purchase commitments with third-party manufacturers in the ordinary course of business. \$12.5 million, \$10.3 million, and the Company has a vendor advance asset of \$1.3 million, \$1.8 million, net of write-downs, and an accrued purchase commitment liability

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of \$0.1 million \$0.1 million related to the agreement. The portion of the balances that is expected to be utilized in the next 12 months \$1.6 million \$1.6 million of the accrued purchase commitment liability and \$4.5 million \$4.5 million of the vendor advance that was previously written down to acquire such E&O inventory.

Contingencies

The Company is involved in litigation and legal matters from time to time, which have arisen in the normal course of business. On February 16, 2022, a putative class action lawsuit, styled *Rose v. Butterfly Network, Inc., et al.* was filed in the U.S. District Court for the Northern District of California, San Francisco Division, against the Company and certain of its officers and directors. The Company is not aware of any material facts or circumstances that would indicate that the outcome of this litigation would have a material adverse effect on the Company's financial position, results of operations or cash flows.

On June 21, 2022, a stockholder derivative action, styled *Koenig v. Todd M. Fruchterman, et al.* was filed in the United States District Court for the District of Columbia. The complaint asserted claims for breach of fiduciary duty, aiding and abetting breach of fiduciary duty, and violation of Section 14(a) of the Securities Exchange Act. The Company has filed a motion to dismiss the complaint, which is currently pending.

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Note 13. Subsequent Events

On July 1, 2024, the Company entered into an agreement with a third-party global technology and business transformation |

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Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis provides information which management believes is relevant to an assessment and understanding of the Company's financial condition and results of operations. This discussion and analysis should be read in conjunction with "Risk Factors" in Item 1A of Part I of our 2023 Annual Report on Form 10-K and in Item 1A of Part II of this Quarterly Report on Form 10-Q.

Overview

We are an innovative digital health business transforming care through a unique combination of portable, semiconductor-based ultrasound devices and AI-powered software.

Butterfly iQ+ and iQ3 are ultrasound devices that can perform whole-body imaging in a single handheld probe using semiconduc-

In 2023 and

Since 2022, we took have taken significant actions to reduce our cost of operations and extend our cash runway. Over the last year, we have reduced our headcount by 15% and reduced our capital expenditures by 20%. We are currently projecting a cash runway of approximately 18 months, assuming no revenue growth or further reductions in expenses. less than \$50 million annually. As such, we conservatively

Key Performance Measures

We review the key performance measures discussed below to evaluate the business and measure performance, identify trends, and make strategic decisions.

Units fulfilled

We define units fulfilled as the number of devices whereby control is transferred to a customer. We do not adjust this measure for units that are returned or resold.

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Graphic

Units fulfilled increased by 768,192 units, or 21.8%3.6%, for the three months ended March 31, 2024 June 30, 2024 compared increased device sales volume was lower due to two large medical school deployments that occurred in the U.S. prior year established iQ+ probes and our newly launched iQ3 probes.

did not repeat in 2024, partially offset by higher volume from the launch of the iQ3. Excluding the prior-year larger me

Software and other services mix

We define software and other services mix as a percentage of our total revenue recognized in a reporting period that is l



Graphic

Software and other services mix decreased by 6.71.8 percentage points, to 36.1%31.8% for the three months ended March 31

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current year, our software and other services mix decreased due to the recent launch of our new iQ3 probe and an even larger increase in device sales during product revenue realized in the current year.

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Description of Certain Components of Financial Data

Revenue

Revenue consists of revenue from the sale of products, such as medical devices and accessories, and the sale of software. Over time, as adoption of our devices increases through further market penetration and as practitioners in the Butterfly Network expand their use of our products, we expect revenue to grow. To date, we have invested heavily in building out our direct salesforce, with the ultimate goal of growing adoption at large.

Cost of revenue

Cost of product revenue consists of product costs including manufacturing costs, personnel costs and benefits, inbound shipping costs and other costs associated with the production of our products.

Cost of software and other services revenue consists of personnel costs, cloud hosting costs, and payment processing fees.

Research and development

Research and development expenses primarily consist of personnel costs and benefits, facilities-related expenses and depreciation.

Sales and marketing

Sales and marketing expenses primarily consist of personnel costs and benefits, advertising, conferences and events, facility costs and other costs.

General and administrative

General and administrative expenses primarily consist of personnel costs and benefits, insurance, patent fees, software license fees and other costs.

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Other

Operating expenses classified as other are expenses which we do not consider representative of our ongoing operations. These expenses include professional fees, legal expenses, and other general expenses.

Results of Operations

We operate as a single reportable segment to reflect the way our CODM reviews and assesses the performance of the business.

(in thousands)	Three months ended March 31,			
	2024		2023	
	Dollars	% of revenue	Dollars	% of revenue
Revenue:				
Product	\$ 11,291	63.9 %	\$ 8,848	57.2 %
Software and other services	6,365	36.1	6,628	42.8
Total revenue	17,656	100.0	15,476	100.0
Cost of revenue:				
Product	5,096	28.9	4,349	28.1
Software and other services	2,284	12.9	2,038	13.2
Total cost of revenue	7,380	41.8	6,387	41.3
Gross profit	10,276	58.2	9,089	58.7
Operating expenses:				
Research and development	10,720	60.7	16,651	107.6
Sales and marketing	10,378	58.8	10,034	64.8
General and administrative	10,442	59.1	11,019	71.2

Other	1,357	7.7	6,432	41.6
Total operating expenses	32,897	186.3	44,136	285.2
Loss from operations	(22,621)	(128.1)	(35,047)	(226.5)
Interest income	1,511	8.6	1,784	11.5
Interest expense	(300)	(1.7)	-	-
Change in fair value of warrant liabilities	(207)	(1.2)	(207)	(1.3)
Other (expense) income, net	(141)	(0.8)	17	0.1
Loss before provision for income taxes	(21,758)	(123.2)	(33,453)	(216.2)
Provision for income taxes	3	0.0	87	0.6
Net loss and comprehensive loss	\$ (21,761)	(123.2) %	\$ (33,540)	(216.7) %

(in thousands)	Three months ended June 30,				Six months ended June 30,		
	2024		2023		2024		2023
	Dollars	% of revenue	Dollars	% of revenue	Dollars	% of revenue	Dollars
Revenue:							
Product	\$ 14,648	68.2 %	\$ 12,273	66.4 %	\$ 25,939	66.3 %	\$ 21,121
Software and other services	6,839	31.8	6,214	33.6	13,204	33.7	12,842
Total revenue	21,487	100.0	18,487	100.0	39,143	100.0	33,963
Cost of revenue:							
Product	6,579	30.6	5,487	29.7	11,674	29.8	9,836
Software and other services	2,322	10.8	2,078	11.2	4,606	11.8	4,116
Total cost of revenue	8,901	41.4	7,565	40.9	16,280	41.6	13,952
Gross profit	12,586	58.6	10,922	59.1	22,863	58.4	20,011
Operating expenses:							
Research and development	9,411	43.8	15,626	84.5	20,131	51.4	32,277
Sales and marketing	9,728	45.3	9,728	52.6	20,106	51.4	19,761
General and administrative	10,073	46.9	14,660	79.3	20,514	52.4	25,678
Other	606	2.8	2,172	11.7	1,964	5.0	8,605
Total operating expenses	29,818	138.8	42,186	228.2	62,715	160.2	86,321
Loss from operations	(17,232)	(80.2)	(31,264)	(169.1)	(39,852)	(101.8)	(66,310)
Interest income	1,291	6.0	2,027	11.0	2,802	7.2	3,811
Interest expense	(309)	(1.4)	-	-	(609)	(1.6)	-
Change in fair value of warrant liabilities	620	2.9	620	3.4	413	1.1	413
Other expense, net	(59)	(0.3)	(60)	(0.3)	(201)	(0.5)	(44)
Loss before provision for income taxes	(15,689)	(73.0)	(28,677)	(155.1)	(37,447)	(95.7)	(62,130)
Provision (benefit) for income taxes	17	0.1	(6)	(0.0)	20	0.1	81
Net loss and comprehensive loss	\$ (15,706)	(73.1)%	\$ (28,671)	(155.1)%	\$ (37,467)	(95.7)%	\$ (62,211)

Comparison of the three months ended **March 31, 2024** **June 30, 2024** and **2023**

Revenue

(in thousands)	Three months ended March 31,			
	2024	2023	Change	% Change
Product	\$ 11,291	\$ 8,848	\$ 2,443	27.6 %
Software and other services	6,365	6,628	(263)	(4.0)
Total	\$ 17,656	\$ 15,476	\$ 2,180	14.1 %

(in thousands)	Three months ended June 30,			
	2024	2023	Change	% Change
Product	\$ 14,648	\$ 12,273	\$ 2,375	19.4 %
Software and other services	6,839	6,214	625	10.1
	<u>\$ 21,487</u>	<u>\$ 18,487</u>	<u>\$ 3,000</u>	<u>16.2 %</u>

Product revenue increased by \$2.4 million, or 27.6% 19.4%, for the three months ended March 31, 2024 June 30, 2024 compare price as well as an increase in

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iQ+ probe sales internationally. The increase in product revenue was negatively impacted by two large grant-based deploy

Software and other services revenue decreased increased by \$0.3 million \$0.6 million, or 4.0% 10.1%, for the three months ended March 31, 2023. This decrease was primarily driven by lower renewals of individual

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subscriptions, partially offset by higher enterprise software sales.

Enterprise as a percentage of software sales increased by 9 percentage points year-over-year.

Cost of revenue

Three months ended March 31,				
(in thousands)	2024	2023	Change	% Change
Product	\$ 5,096	\$ 4,349	\$ 747	17.2 %
Software and other services	2,284	2,038	246	12.1
	<u>\$ 7,380</u>	<u>\$ 6,387</u>	<u>\$ 993</u>	<u>15.5 %</u>
Percentage of revenue	41.8 %	41.3 %		

Cost of product revenue increased by \$0.7 million, or 17.2%, for the three

months ended March 31, 2024 compared to the three months ended March 31, 2023 June 30, 2023. This increase was primarily

Cost of revenue

(in thousands)	Three months ended June 30,			
	2024	2023	Change	% Change
Product	\$ 6,579	\$ 5,487	\$ 1,092	19.9 %
Software and other services	2,322	2,078	244	11.7
	<u>\$ 8,901</u>	<u>\$ 7,565</u>	<u>\$ 1,336</u>	<u>17.7 %</u>
Percentage of revenue	41.4 %	40.9 %		

Cost of product revenue increased by \$1.1 million, or 19.9%, for the three months ended June 30, 2024 compared to the three

Research and development

(in thousands)	Three months ended June 30,		Change	% Change
	2024	2023		
Research and development	\$ 9,411	\$ 15,626	\$ (6,215)	(39.8)%
Percentage of revenue	43.8 %	84.5 %		

Research and development expenses decreased by \$6.2 million, or 39.8%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

Sales and marketing

(in thousands)	Three months ended June 30,		Change	% Change
	2024	2023		
Sales and marketing	\$ 9,728	\$ 9,728	\$ —	—%
Percentage of revenue	45.3 %	52.6 %		

Sales and marketing expenses were not significantly different for the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

General and administrative

(in thousands)	Three months ended June 30,		Change	% Change
	2024	2023		
General and administrative	\$ 10,073	\$ 14,660	\$ (4,587)	(31.3)%
Percentage of revenue	46.9 %	79.3 %		

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General and administrative expenses decreased by \$4.6 million, or 31.3%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

Other

(in thousands)	Three months ended June 30,		Change	% Change
	2024	2023		
Other	\$ 606	\$ 2,172	\$ (1,566)	(72.1)%
Percentage of revenue	2.8 %	11.7 %		

Other decreased by \$1.6 million, or 72.1%, for the three months ended June 30, 2024 compared to the three months ended June 30, 2023.

Comparison of the six months ended June 30, 2024 and 2023

Revenue

(in thousands)	Six months ended June 30,		Change	% Change
	2024	2023		
Product	\$ 25,939	\$ 21,121	\$ 4,818	22.8 %
Software and other services	13,204	12,842	362	2.8 %
	\$ 39,143	\$ 33,963	\$ 5,180	15.3 %

Product revenue increased by \$4.8 million, or 22.8%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023.

Software and other services revenue increased by \$0.4 million, or 2.8%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023.

Cost of revenue

(in thousands)	Six months ended June 30,		Change	% Change
	2024	2023		
Product	\$ 11,674	\$ 9,836	\$ 1,838	18.7 %
Software and other services	4,606	4,116	490	11.9
	<u>\$ 16,280</u>	<u>\$ 13,952</u>	<u>\$ 2,328</u>	<u>16.7 %</u>
Percentage of revenue	41.6 %	41.1 %		

Cost of product revenue increased by \$1.8 million, or 18.7%, for the six months ended June 30, 2024 compared to the six months ended June 30, 2023.

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Research and development

Three months ended March 31,				
(in thousands)	2024	2023	Change	% Change
Research and development	\$ 10,720	\$ 16,651	\$ (5,931)	(35.6) %
Percentage of revenue	60.7 %	107.6 %		

(in thousands)	Six months ended June 30,		Change	% Change
	2024	2023		
Research and development	\$ 20,131	\$ 32,277	\$ (12,146)	(37.6) %
Percentage of revenue	51.4 %	95.0 %		

Research and development expenses decreased by \$5.9 million \$12.1 million, or 35.6% 37.6%, for the three six months ended June 30, 2023. This decrease was primarily driven by reductions of \$4.4 million \$9.2 million in personnel costs resulting in \$2.4 million in engineering, facilities, and software costs related to reduced headcount; and \$0.3 million \$0.1 million in professional services fees.

Sales and marketing

Three months ended March 31,				
(in thousands)	2024	2023	Change	% Change
Sales and marketing	\$ 10,378	\$ 10,034	\$ 344	3.4 %
Percentage of revenue	58.8 %	64.8 %		

(in thousands)	Six months ended June 30,			
	2024	2023	Change	% Change
Sales and marketing	\$ 20,106	\$ 19,761	\$ 345	1.7%
Percentage of revenue	51.4 %	58.2 %		

Sales and marketing expenses increased by \$0.3 million, or 1.7%, for the three six months ended March 31, 2024 June 30, 2024.

General and administrative

(in thousands)	Three months ended March 31,			
	2024	2023	Change	% Change
General and administrative	\$ 10,442	\$ 11,019	\$ (577)	(5.2) %
Percentage of revenue	59.1 %	71.2 %		

(in thousands)	Six months ended June 30,			
	2024	2023	Change	% Change
General and administrative	\$ 20,514	\$ 25,678	\$ (5,164)	(20.1) %
Percentage of revenue	52.4 %	75.6 %		

General and administrative expenses decreased by \$0.6 million \$5.2 million, or 5.2% 20.1%, for the three six months ended March 31, 2023 June 30, 2023. This decrease was primarily driven by reductions of \$1.5 million \$4.2 million in personnel costs partially offset by an increase of \$1.0 million in stock-based compensation expense due to a prior year adjustment.

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Other

(in thousands)	Three months ended March 31,			
	2024	July 2023	Change	% Change
and \$0.8 million in professional service fees for legal services.				
Other	\$ 1,357	\$ 6,432	\$ (5,075)	(78.9) %
Percentage of revenue	7.7 %	41.6 %		

(in thousands)	Six months ended June 30,			
	2024	2023	Change	% Change
Other	\$ 1,964	\$ 8,605	\$ (6,641)	(77.2) %
Percentage of revenue	5.0 %	25.3 %		

Other decreased by \$5.1 million \$6.6 million, or 78.9% 77.2%, for the three six months ended March 31, 2024 June 30, 2024 compared to the three six months ended March 31, 2023 June 30, 2023. This decrease was primarily driven by a decrease in professional service fees for legal services.

Liquidity and Capital Resources

Since our inception, our primary sources of liquidity are cash flows from operations, proceeds from the Business Combination, and the issuance of equity securities.

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and cash flows from operations will be sufficient to meet our liquidity, capital expenditure, and anticipated working capi

During the three months ended **March 31, 2024** **June 30, 2024**, the Company utilized **\$21.8** **\$10.6 million** of cash and cash equivalents. In the **first** **second** quarter, we paid **\$6.3** **million** of bonuses and **\$1.4 million** **\$0.6 million** of legal payments due to litigation and other legal matters. As of **March**

As of **March 31, 2024** **June 30, 2024**, we have restricted cash of \$4.0 million to secure a letter of credit for one of our l

Our material cash requirements include contractual obligations with third parties for office leases, technology licensin

\$29.8 million as of **March 31, 2024** **June 30, 2024**, with \$3.6 million payable within the next 12 months. Our fixed t

As of **March 31, 2024** **June 30, 2024**, we had no obligations, assets or liabilities, which would be considered off-balance s

Cash flows

Comparison of the ~~three~~six months ended **March 31, 2024 **June 30, 2024** and 2023**

The following table summarizes our sources and uses of cash for the **three**six months ended **March 31, 2024** **June 30, 2024** an

(in thousands)	Three months ended March 31,	
	2024	2023
(in thousands)		Six months ended June 30,
Net cash used in operating activities	\$ (30,667)	\$ (69,738)
Net cash (used in) provided by investing activities	(1,837)	73,974
Net cash provided by financing activities	-	136
Net decrease in cash, cash equivalents and restricted cash	\$ (32,504)	\$ 4,372
Net cash used in operating activities	\$ (20,667)	\$ (43,252)
Net cash (used in) provided by investing activities	(1,138)	74,855
Net cash provided by financing activities	-	-
Net decrease in cash, cash equivalents and restricted cash	\$ (21,805)	\$ 31,603

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Net cash used in operating activities

Net cash used in operating activities represents the cash receipts and disbursements related to our activities other than

Net cash used in operating activities decreased by **\$22.6 million** **\$39.1 million**, or **52.2%**56.0%, for the **three**six months er higher adjustments for stock-based compensation expense and other non-cash items. loss. The decrease in net working capital cash usage was primarily driven by reductionsa reduction of **\$6.3 million** cash used for changes in accounts payable and accrued expenses, partially offset by a **\$1.8 million** increase in cash used for changes in accounts receivable. assets.

Net cash used in investing activities

Net cash provided by investing activities decreased by **\$76.0 million** **\$75.8 million** for the **three**six months ended **March 31, 2023** **June 30, 2023**. The increase was primarily due to the sale of our marketable securities in 2023.

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Net cash provided by financing activities

Net cash provided by financing activities decreased by \$0.1 million for the six months ended June 30, 2024 compared to the six months ended June 30, 2023.

Critical Accounting Policies and Significant Judgments and Estimates

This discussion and analysis of our financial condition and results of operations are based on our condensed consolidated financial statements as of June 30, 2024.

For our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q, there have been no material changes in our critical accounting policies, significant judgments and estimates.

Recently Adopted Accounting Pronouncements

The Company did not identify any significant recently issued accounting pronouncements that may potentially impact our financial statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

We did not have any floating rate debt as of **March 31, 2024** **June 30, 2024**. Our cash and cash equivalents are comprised primarily of short-term investments.

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Inflation Risk

We do not believe that inflation has had a material effect on our business, financial condition, or results of operations.

Foreign Exchange Risk

We operate our business primarily within the United States and currently execute the majority of our transactions in U.S. dollars.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2024.

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Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports is recorded, processed, summarized, and reported within the time periods specified in the rules and regulations of the SEC.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Section 30(a) of the Sarbanes-Oxley Act.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

We are currently and may in the future be subject to legal proceedings, claims, and regulatory actions arising in the ordinary course of business.

For more information about our legal proceedings and this item, see Note 12 "Commitments"  and Contingencies" .

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Item 1A. Risk Factors

Our business, results of operations, and financial condition are subject to various risks and uncertainties including those described in Item 1A.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Unregistered Sales of Equity Securities

Not applicable.

Issuer Purchases of Equity Securities

We did not repurchase any of our equity securities during the three months ended  March 31, 2024  June 30, 2024.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the three months ended  March 31, 2024  June 30, 2024, none of our directors or executive officers adopted, modified or terminated any contract, instruction or written plan for the purchase or sale of our securities that was in violation of Rule 10b5-1(c) or any  non-Rule 10b5-1 trading arrangement.

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arrangement."

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Item 6. Exhibits

See Exhibit Index.

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EXHIBIT INDEX

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/ Reg. Number
3.1	Second Amended and Restated Certificate of Incorporation of Butterfly Network, Inc.		Form 8-K (Exhibit 3.1)	2/16/2021	001-39292
3.2	Amended and Restated Bylaws of Butterfly Network, Inc.		Form 8-K (Exhibit 3.2)	2/16/2021	001-39292
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002	X			
32.1*	Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
101.INS	Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because its Inline XBRL tags are embedded within the Inline XBRL document	X			
101.SCH	Inline XBRL Taxonomy Extension Schema Document.	X			
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.	X			

Exhibit Number	Exhibit Description
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3.1	Third Amended and Restated Certificate of Incorporation, as amended, of the Registrant, as filed with the SEC on April 16, 2024.
3.2	Amended and Restated Bylaws of Butterfly Network, Inc.
10.1+	Butterfly Network, Inc. 2024 Employee Stock Purchase Plan
10.2+	Amendment No. 2, made effective April 16, 2024, to Employment Agreement by and between Butterfly Network, Inc. and Michael J. Koenig.
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1*	Certifications of the Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/Reg. Number
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.	X			
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.	X			
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.	X			
104	Cover Page Interactive Data File (formatted in Inline XBRL and contained in Exhibit 101)	X			

[* Furnished herewith.](#)

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Exhibit Number	Exhibit Description
101.INS	Inline XBRL Instance Document - The instance document does not appear in the Interactive Data File because it is part of the cover page.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.

- + Management contract or compensatory plan or arrangement.
- * Furnished herewith.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed

BUTTERFLY NETWORK, INC.
Date: May 1, 2024 By: /s/ Joseph DeVivo
Joseph DeVivo

BUTTERFLY NETWORK, INC.

Date: August 1, 2024

By: /s/ Joseph DeVivo

Joseph DeVivo

President, Chief Executive Officer, and Chairman of the Board

Date: August 1, 2024

By: /s/ Heather C. Getz, CPA

Heather C. Getz, CPA

Executive Vice President and Chief Financial & Operations Officer

2024 EMPLOYEE STOCK PURCHASE PLAN

The purpose of the Butterfly Network, Inc. 2024 Employee Stock Purchase Plan (the "Plan") is to

The Plan includes two components: a Code Section 423 Component (the "423 Component") and a nor

1. Administration. The Plan will be administered by the person or persons (the "Administrator")
2. Offerings. The Company may make one or more offerings to eligible employees to purchase

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Exhibit 10.1

exceed 27 months in duration. Unless the Administrator otherwise determines, each Offering will be

3. Eligibility. All individuals classified as employees on the payroll records of the Company are eligible to participate in the Plan.
4. Participation.

(a) Participants. An eligible employee who is not a Participant in any prior Offering may

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Exhibit 10.1

(b) Enrollment. The enrollment form (which may be in an electronic format or such other

(c) Notwithstanding the foregoing, participation in the Plan will neither be permitted nor

5. Employee Contributions. Each eligible employee may authorize payroll deductions at a minimum rate of 1% of his or her compensation.
6. Deduction Changes. Except as may be determined by the Administrator in advance of an Offering Date.
7. Withdrawal. A Participant may withdraw from participation in the Plan by delivering a written notice to the Company.
8. Grant of Options. On each Offering Date, the Company will grant to each eligible employee

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Exhibit 10.1

below. Each Participant's Option shall be exercisable only to the extent of such Participant's account.

Notwithstanding the foregoing, no Participant may be granted an option hereunder if such Participant's

9. Exercise of Option and Purchase of Shares. Each employee who continues to be a Participant may exercise his or her Option to purchase shares of Common Stock at the exercise price and in the manner and on the dates and under the conditions set forth in the Option Agreement.
10. Issuance of Certificates. Certificates or book-entries at the Company's transfer agent representing shares of Common Stock issued under the Plan shall be issued in the name of the Participant or in the name of the Participant and his or her spouse, if so elected by the Participant.
11. Definitions.

The term "Class B Common Stock" means shares of the Company's Class B common stock, \$0.0001 par value.

The term "Compensation" means the regular or basic rate of compensation.

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Exhibit 10.1

The term "Common Stock" means the Class A Common Stock and the Class B Common Stock, individually and together.

The term "Designated Subsidiary" means any present or future Subsidiary (as defined below) that is designated by the Board.

The term "Fair Market Value of the Common Stock" on any given date means the fair market value of a share of Common Stock on that date.

The terms "New Exercise Date" means Exercise Date if the Administrator shortens any Offering then in progress.

The term "Parent" means a "parent corporation" with respect to the Company, as defined in Section 3 of the Plan.

The term "Participant" means an individual who is eligible as determined in Section 3 and who has been granted an Option.

The term "Purchase Period" means a period of time within an Offering, as may be specified by the Administrator.

The term "Sale Event" shall have the meaning of "Corporate Transaction" set forth in the Company's Bylaws.

The term "Subsidiary" means a "subsidiary corporation" with respect to the Company, as defined in Section 3 of the Plan.

12. Rights on Termination of Employment. If a Participant's employment terminates for any reason other than death, disability, or retirement, the Participant's Option shall terminate.

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Exhibit 10.1

only to the extent that such exercise complies with Section 423 of the Code. If a Participant transfers his or her Option to another Person, the Option shall be exercisable only to the extent that such exercise complies with Section 423 of the Code.

13. Special Rules and Sub-Plans. Notwithstanding anything herein to the contrary, the Administrator may establish special rules and sub-plans for the administration of the Plan.
14. Optionees Not Stockholders. Neither the granting of an Option to a Participant nor the exercise of an Option shall be deemed to create a stockholder relationship between the Participant and the Company.
15. Rights Not Transferable. Rights under the Plan are not transferable by a Participant other than by will or by the laws of descent and distribution.
16. Application of Funds. All funds received or held by the Company under the Plan may be commingled with the Company's general assets.
17. Adjustment in Case of Changes Affecting Common Stock. In the event of a subdivision of the Common Stock, the Administrator may make such adjustments as are necessary to prevent dilution or enlargement of the rights of Participants.

(a) To provide for either (i) termination of any outstanding Option in exchange for an a

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Exhibit 10.1

outstanding Option with other options or property selected by the Administrator in its sole discret

(b) To provide that the outstanding Options under the Plan shall be assumed by the succe

(c) To make adjustments in the number and type of shares of Common Stock (or other secur

(d) To provide that the Offering with respect to which an Option relates will be shorter

(e) To provide that all outstanding Options shall terminate without being exercised and

18. Amendment of the Plan. The Board may at any time and from time to time amend the Plan in

19. Insufficient Shares. If the total number of shares of Common Stock that would otherwise

20. Termination of the Plan. The Plan may be terminated at any time by the Board. Upon term

21. Governmental Regulations. The Company's obligation to sell and deliver Common Stock unde

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Exhibit 10.1

22. Governing Law. This Plan and all Options and actions taken thereunder shall be governed

23. Issuance of Shares. Shares may be issued upon exercise of an Option from authorized but

24. Tax Withholding. Participation in the Plan is subject to any minimum required tax withhold

25. Notification Upon Sale of Shares Under the 423 Component. Each Participant agrees, by er

26. Effective Date. This Plan shall become effective upon the date of Board approval and fol

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Exhibit 10.1

APPENDIX A

Designated Subsidiaries

BFLY Operations, Inc.

Butterfly Network GmbH

Butterfly Network Limited

Butterfly Network Netherlands B.V.

Butterfly Network Australia PTY Ltd.

Butterfly Network Taiwan Corporation

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Exhibit 10.2

SECOND AMENDMENT TO EMPLOYMENT AGREEMENT

This Second Amendment to Employment Agreement (this "Second Amendment to Employment Agreement")

WHEREAS, the Company and the Executive are parties to an Employment Agreement dated as of April

WHEREAS, Capitalized terms used herein and not otherwise defined shall have the meanings ascribed

WHEREAS, the Company and the Executive wish to further amend certain provisions of the Amended

NOW, THEREFORE, in consideration of the mutual covenants and agreements herein contained and o

1. Section 2(d) of the Amended Employment Agreement is hereby amended and restated in its entirety. Section 2(d) is hereby deleted in its entirety. The Company will promptly reimburse the Executive for all reasonable business expenses.
2. Section 2(e) of the Amended Employment Agreement is hereby deleted in its entirety.
3. All other provisions of the Amended Employment Agreement shall remain in full force and effect.
4. This Second Amendment shall be construed under and be governed in all respects by the laws of

accordance with the law as it would be interpreted and applied by the United States Court of Appeals

5. This Second Amendment to Employment Agreement may be executed in separate counterparts. When

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Second Amendment to Employment Agreement to

COMPANY

/s/ Heather Getz
By:Heather Getz
Its: EVP & CFO

EXECUTIVE

/s/ Joseph DeVivo
Joseph DeVivo

Exhibit 31.1

CERTIFICATIONS UNDER SECTION 302

I, Joseph DeVivo, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Butterfly Network, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present the financial position of the registrant as of the end of the period covered by this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14) and we have designed such disclosure controls and procedures to be designed to prevent or detect material non-compliance with our disclosure obligations under the Exchange Act;
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting (as defined in Exchange Act Rules 13a-14 and 15d-14), to the registrant's audited financial statements:

 - (a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which could adversely affect the registrant's ability to record, process, summarize, and report financial data;
 - (b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting;

Date: May 1, 2024 By: /s/August 1, 2024

/s/ Joseph DeVivo
Joseph DeVivo
President, Chief Executive Officer, and Chairman of the Board

Exhibit 31.2

CERTIFICATIONS UNDER SECTION 302

I, Heather C. Getz, CPA, Heather C. Getz, CPA

certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Butterfly Network, Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact that is necessary to make the statements made, in light of the circumstances under which they were made, not misleading;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present the financial position of the registrant as of the end of the period covered by this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls

- (a)Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed
- (b)Designed such internal control over financial reporting, or caused such internal control over financial reporting
- (c)Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report ou
- (d)Disclosed in this report any change in the registrant's internal control over financial reporting that occurred du

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal contr

- (a)All significant deficiencies and material weaknesses in the design or operation of internal control over financial
- (b)Any fraud, whether or not material, that involves management or other employees who have a significant role in the

Date: August 1, 2024

/s/ Heather C. Getz, CPA
Heather C. Getz, CPA
Executive Vice President and Chief Financial & Operations Officer

Exhibit 32.1

CERTIFICATIONS UNDER SECTION 906

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and Chief Financial & Operations Officer

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{graphic omitted}
{graphic omitted}
{graphic omitted}
{graphic omitted}

(b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Butterfly Network, Inc., a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report for the quarter ended June 30, 2024 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 1, 2024

/s/ Joseph DeVivo

Joseph DeVivo

President, Chief Executive Officer, and Chairman of the Board

Dated: August 1, 2024

/s/ Heather C. Getz, CPA

Heather C. Getz, CPA

Executive Vice President and Chief Financial & Operations Officer

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