



Eargo Applauds Biden Administration Executive Order on Promoting Competition in the American Economy

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Company Supports Administration's Efforts to Increase Consumer Access to, and Lower Cost of Hearing Aids

SAN JOSE, Calif., July 12, 2021 (GLOBE NEWSWIRE) -- Eargo, Inc. (Nasdaq: EAR), a medical device company on a mission to improve the quality of life of people with hearing loss, today applauded the Biden Administration's July 9, 2021 Executive Order on Promoting Competition in the American Economy, which directs the Department of Health and Human Services to consider issuing proposed rules within 120 days for allowing hearing aids to be sold over the counter (OTC).

Christian Gormsen, President and CEO, said, "We applaud the Executive Order and are pleased with the Biden Administration's effort to establish a definitive timeline for OTC draft language, potentially increasing access to hearing aids and lowering costs for consumers."

Mr. Gormsen continued, "The Executive Order states that: *'Hearing aids are so expensive that only 14% of the approximately 48 million Americans with hearing loss use them. On average, they cost more than \$5,000 per pair, and those costs are often not covered by health insurance. A major driver of the expense is that consumers must get them from a doctor or a specialist, even though experts agree that medical evaluation is not necessary. Rather, this requirement serves only as red tape and a barrier to more companies selling hearing aids. The four largest hearing aid manufacturers now control 84% of the market.'* Eargo's mission is to increase consumer access to high quality, virtually invisible hearing solutions with telecare support for life from a licensed hearing professional at approximately half the cost of hearing aids purchased at traditional U.S. based audiology clinics. As a pioneer in bringing a vertically integrated telecare experience to hearing, we firmly believe in the importance of support by licensed hearing professionals, positioning us well to lead the disruption of this large and underpenetrated market as more consumers realize there is simply a better, more efficient way to solve for hearing loss. While the specifics of the proposed legislation are still pending, Eargo has since inception been providing the type of consumer-friendly hearing care experience the industry needs."

Mr. Gormsen concluded, "As we look forward to the national launch of Eargo 5 this week, we are excited to offer consumers our most advanced hearing aid to date: a medical-grade, FDA Class II exempt hearing device designed to be customizable to the user's hearing preferences through all new Sound Match™ technology and the smallest in-canal, rechargeable hearing aid Eargo has ever made."

About Eargo

Eargo is a medical device company dedicated to improving the quality of life of people with hearing loss. Our innovative product and go-to-market approach address the major challenges of traditional hearing aid adoption, including social stigma, accessibility and cost. We believe our Eargo hearing aids are the first and only virtually invisible, rechargeable, completely-in-canal, FDA regulated, exempt Class I or Class II devices for the treatment of hearing loss. Our differentiated, consumer-first solution empowers consumers to take control of their hearing. Consumers can purchase online or over the phone and get personalized and convenient consultation and support from licensed hearing professionals via phone, text, email or video chat. The Eargo solution is offered to consumers at approximately half the cost of competing hearing aids purchased through traditional channels in the United States.

The company's 4th generation product, the Eargo Neo HiFi, was launched in January 2020 and features improved capabilities across audio fidelity and bandwidth. The Eargo Neo HiFi is available for purchase [here](#).

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact contained in this press release are forward-looking statements, including statements regarding our strategic initiatives, our position as a leader in market, and the launch of Eargo 5. Forward-looking statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions that could cause actual results and events to differ materially from those anticipated, including, but not limited to, risks, uncertainties and assumptions related to: our expectations concerning additional orders by existing customers; our expectations regarding the potential market size and size of the potential consumer populations for our products and any future products, including our ability to maintain or increase insurance coverage of Eargo hearing aids; our ability to release new hearing aids and the anticipated features of any such hearing aids; developments and projections relating to our competitors and our industry, including competing products; our ability to maintain our competitive technological advantages against new entrants in our industry; the pricing of our hearing aids; our expectations regarding the ability to make certain claims related to the performance of our hearing aids relative to competitive products; our expectations with regard to changes in the regulatory landscape for hearing aid devices, including the implementation of the pending over-the-counter hearing aid pathway regulatory framework; and our estimates regarding the COVID-19 pandemic, including but not limited to, its duration and its impact on our business and results of operations. These and other risks are described in greater detail under the section titled "Risk Factors" contained in Eargo's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and the company's other filings with the SEC. Any forward-looking statements in this press release are made pursuant to the Private Securities Litigation Reform Act of 1995, as amended, are based on current expectations, forecasts and assumptions, and speak only as of the date of this press release. Except as required by law, the company undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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