



Eargo Announces Commencement of Rights Offering

October 31, 2022

SAN JOSE, Calif., Oct. 31, 2022 (GLOBE NEWSWIRE) -- Eargo, Inc. ("Eargo" or the "Company") (NASDAQ: EAR), a medical device company on a mission to improve the quality of life for people with hearing loss, today announced that it has commenced a rights offering for up to 375 million newly issued shares of its common stock (the "Rights Offering") and that it has launched its rights offering website. Stockholders of record at the close of business on October 24, 2022 will be receiving a final prospectus and related documents for use in exercising the subscription rights and may visit Eargo's rights offering website for more information [here](#).

In the Rights Offering, the Company will distribute to holders of Eargo's common stock non-transferable rights to purchase up to an aggregate of 375,000,000 shares. Each right consists of a basic subscription privilege to purchase 9.5151 shares of common stock at a subscription price of \$0.50 per whole share and an oversubscription privilege. The rights under the basic subscription privilege will be distributed in proportion to stockholders' holdings on the Record Date. If a stockholder exercises his or her basic subscription right in full, and other stockholders do not, such stockholder will be entitled to an oversubscription privilege to purchase a portion of the unsubscribed shares at the subscription price, subject to proration and certain limitations.

The Company expects to use a substantial portion of the proceeds from the proposed Rights Offering to repay the outstanding convertible notes issued to Patient Square Capital at a premium. The Company expects that the Rights Offering will raise between \$22.5 million and \$35.0 million in additional capital, after taking into account offering expenses and repayment of the convertible notes. Any notes not repaid will convert into the shares of common stock not subscribed for in the Rights Offering. The amount of common stock that Patient Square Capital will receive upon conversion of its notes will depend on the timing and level of participation of the Company's stockholders in the Rights Offering.

The Company intends to close the Rights Offering on or before November 25, 2022. The rights will expire if they are not exercised by 5:00 p.m., New York City time, on November 17, 2022 for U.S. holders and 11:00 a.m., New York City time, on November 10, 2022 for non-U.S. Holders, subject to the Company's decision to extend the period for exercising the rights.

The Rights Offering will be made only by means of a prospectus, which was filed with the Securities and Exchange Commission (the "SEC") on October 28, 2022. This press release does not constitute an offer to sell or the solicitation of an offer to buy these securities, nor will there be any sale of these securities in any state or other jurisdiction in which such offer, solicitation, or sale would be unlawful. Any offer will be made only by means of a prospectus.

About Eargo

Eargo is a medical device company on a mission to improve hearing health. Our innovative products 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 virtually invisible, rechargeable, completely-in-canal, FDA-regulated, Class I or Class II exempt devices indicated to compensate for mild to moderate hearing loss. Our differentiated, consumer-first approach 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 hearing professionals via phone, text, email or video chat. Eargo hearing aids are offered to consumers at approximately half the cost of competing hearing aids purchased through traditional channels in the United States.

Eargo's sixth generation device, Eargo 6, is an FDA Class II exempt hearing device featuring Sound Adjust technology that automatically optimizes the soundscape as the user moves between environments. Eargo 6 is available for purchase [here](#).

Related Links

<http://eargo.com>

Investor Contact

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Cautionary Statement Regarding Forward-Looking Statements

This press release may contain 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 the investment by Patient Square Capital, including the conversion of the notes, the terms of the anticipated Rights Offering, including the timing of the anticipated Rights Offering, or if it will occur at all, and stockholder participation in the Rights Offering. 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 and uncertainties related to the conversion of the notes issued pursuant to the Patient Square Capital investment; the timing of the anticipated Rights Offering, or if it will occur at all, and stockholder participation in the Rights Offering. These and other risks are described in greater detail under the section titled "Risk Factors" contained in the Company's Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and 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.

Additional Information and Where to Find It

The Company has filed the Registration Statement (including a prospectus) with the SEC for the offering to which this press release relates. Before you invest, you should read the prospectus in that registration statement and other documents the Company has filed with the SEC for more complete information about the Company and this offering. You may get these documents for free by visiting EDGAR on the SEC website at www.sec.gov. Alternatively, you may obtain copies of the prospectus, by contacting Morrow Sodali, the information agent for the offering, at:

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333 Ludlow Street
5th Floor, South Tower
Stamford, Connecticut 06902
Individuals call toll-free: (800) 662-5200
Banks and Brokerage Firms, please call (203) 658-9400
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No Offer or Solicitation

This press release shall not constitute an offer, nor a solicitation of an offer, of the sale or purchase of securities, nor shall any securities of the Company be offered or sold in any jurisdiction in which such an offer, solicitation or sale would be unlawful. It is an outline of matters for discussion only. Neither the SEC nor any state securities commission has approved or disapproved of the transactions contemplated hereby or determined if this document is truthful or complete. Any representation to the contrary is a criminal offense. In connection with the Rights Offering transaction discussed herein, the Registration Statement was filed with the SEC on August 25, 2022. Stockholders of the Company are urged to read the Registration Statement and the documents incorporated by reference therein before making any investment decision with respect to the Rights Offering because they will contain important information regarding the proposed Rights Offering transaction. You should not construe the contents of this press release as legal, tax, accounting or investment advice or a recommendation. You should consult your own counsel and tax and financial advisors as to legal and related matters concerning the matters described herein.