

EARGO

HEAR LIFE TO THE FULLEST

GAAP TO NON-GAAP RECONCILIATION
AUGUST 8, 2022

GAAP TO NON-GAAP RECONCILIATION

(all \$ in 000's)

	Q1'19A	Q2'19A	Q3'19A	Q4'19A	Q1'20A	Q2'20A	Q3'20A	Q4'20A	Q1'21A	Q2'21A	Q3'21A	Q4'21A	Q1'22A	Q2'22A	FY19	FY20	FY21
Gross Systems Shipped	5,363	4,955	5,257	7,212	7,030	9,040	10,077	12,096	11,704	12,548	13,117	7,767	5,773	4,455	22,787	38,243	45,136
Unit Growth Rate YoY					31.1%	82.4%	91.7%	67.7%	66.5%	38.8%	30.2%	-35.8%	-50.7%	-64.5%		67.8%	18.0%
Total Return Rate	(37%)	(34%)	(35%)	(34%)	(28%)	(27%)	(25%)	(24%)	(23%)	(24%)	(46%)	(34%)	(34%)	(33%)	(35%)	(26%)	(32%)
Net Revenue	\$7,290	\$7,155	\$7,730	\$10,615	\$12,669	\$15,921	\$18,186	\$22,378	\$22,048	\$22,883	(\$22,869)	\$10,060	\$9,176	\$7,247	\$32,790	\$69,154	\$32,122
YoY Growth					73.8%	122.5%	135.3%	110.8%	74.0%	43.7%	(225.8%)	(55.0%)	(58.4%)	(68.3%)		110.9%	(53.5%)
QoQ Growth		(1.8%)	8.0%	37.3%	19.4%	25.7%	14.2%	23.1%	(1.5%)	3.8%	(199.9%)	(144.0%)	(8.8%)	(21.0%)			
GAAP Gross Profit	\$3,467	\$3,528	\$4,147	\$5,858	\$8,013	\$10,716	\$12,751	\$15,800	\$15,751	\$16,421	(\$30,421)	\$2,415	\$3,685	\$2,514	\$17,000	\$47,281	\$4,166
% Gross Margin	47.6%	49.3%	53.6%	55.2%	63.2%	67.3%	70.1%	70.6%	71.4%	71.8%	133.0%	24.0%	40.2%	34.7%	51.8%	68.4%	13.0%
SBC expense	\$1	\$3	\$3	\$9	\$5	\$4	\$9	\$43	\$186	\$113	\$104	\$336	\$22	\$37	\$16	\$60	\$738
Non-GAAP Gross Profit	\$3,467	\$3,531	\$4,150	\$5,867	\$8,018	\$10,720	\$12,761	\$15,843	\$15,937	\$16,534	(\$30,317)	\$2,751	\$3,707	\$2,551	\$17,016	\$47,341	\$4,904
% Non-GAAP Gross Margin	47.6%	49.4%	53.7%	55.3%	63.2%	67.3%	70.2%	70.8%	72.2%	72.3%	132.6%	27.3%	40.4%	35.2%	51.8%	68.5%	15.3%

Totals may not tie to financial statements due to rounding

GAAP TO NON-GAAP RECONCILIATION (CONTINUED)

(all \$ in 000's)

	Q1'19A	Q2'19A	Q3'19A	Q4'19A	Q1'20A	Q2'20A	Q3'20A	Q4'20A	Q1'21A	Q2'21A	Q3'21A	Q4'21A	Q1'22A	Q2'22A	FY19	FY20	FY21
GAAP S&M	\$7,663	\$7,745	\$9,290	\$11,027	\$10,859	\$10,828	\$12,354	\$15,484	\$16,855	\$21,903	\$24,444	\$22,557	\$13,290	\$12,734	\$35,725	\$49,525	\$85,759
% of Net Rev	105.1%	108.2%	120.2%	103.9%	85.7%	68.0%	67.9%	69.2%	76.4%	95.7%	-106.9%	224.2%	144.8%	175.7%	109.0%	71.6%	267.0%
SBC expense	(\$7)	(\$46)	(\$73)	(\$62)	(\$123)	(\$126)	(\$344)	(\$1,035)	(\$1,856)	(\$1,899)	(\$1,841)	(\$5,617)	(\$640)	(\$693)	(\$188)	(\$1,629)	(\$11,213)
Non-GAAP S&M	\$7,656	\$7,698	\$9,217	\$10,965	\$10,736	\$10,702	\$12,009	\$14,449	\$14,999	\$20,004	\$22,602	\$16,940	\$12,650	\$12,041	\$35,537	\$47,896	\$74,546
% of Net Rev	105.0%	107.6%	119.2%	103.3%	84.7%	67.2%	66.0%	64.6%	68.0%	87.4%	-98.8%	168.4%	137.9%	166.2%	108.4%	69.3%	232.1%
GAAP R&D	\$2,669	\$2,893	\$3,219	\$4,060	\$2,809	\$2,208	\$2,871	\$4,157	\$4,778	\$5,148	\$7,296	\$8,010	\$5,847	\$3,879	\$12,841	\$12,045	\$25,232
% of Net Rev	36.6%	40.4%	41.6%	38.2%	22.2%	13.9%	15.8%	18.6%	21.7%	22.5%	-31.9%	79.6%	63.7%	53.5%	39.2%	17.4%	78.6%
SBC expense	(\$16)	(\$84)	(\$83)	(\$49)	(\$164)	(\$91)	(\$295)	(\$272)	(\$1,067)	(\$1,100)	(\$1,584)	(\$3,188)	(\$1,020)	\$585	(\$232)	(\$822)	(\$6,939)
Non-GAAP R&D	\$2,654	\$2,809	\$3,136	\$4,011	\$2,645	\$2,118	\$2,577	\$3,885	\$3,711	\$4,048	\$5,711	\$4,823	\$4,827	\$4,464	\$12,609	\$11,223	\$18,293
% of Net Rev	36.4%	39.3%	40.6%	37.8%	20.9%	13.3%	14.2%	17.4%	16.8%	17.7%	-25.0%	47.9%	52.6%	61.6%	38.5%	16.2%	56.9%
GAAP G&A	\$2,421	\$2,677	\$3,683	\$3,689	\$6,078	\$3,257	\$5,163	\$6,084	\$7,487	\$8,432	\$16,887	\$17,076	\$14,934	\$17,344	\$12,470	\$20,582	\$49,882
% of Net Rev	33.2%	37.4%	47.6%	34.8%	48.0%	20.5%	28.4%	27.2%	34.0%	36.8%	-73.8%	169.7%	162.7%	239.3%	38.0%	29.8%	155.3%
SBC expense	(\$84)	(\$300)	(\$298)	(\$222)	(\$233)	(\$250)	(\$719)	(\$1,376)	(\$2,022)	(\$2,129)	(\$1,949)	(\$2,740)	(\$1,342)	(\$1,366)	(\$903)	(\$2,578)	(\$8,841)
Non-GAAP G&A	\$2,337	\$2,378	\$3,385	\$3,467	\$5,845	\$3,006	\$4,444	\$4,708	\$5,465	\$6,303	\$14,938	\$14,336	\$13,592	\$15,978	\$11,567	\$18,004	\$41,041
% of Net Rev	32.1%	33.2%	43.8%	32.7%	46.1%	18.9%	24.4%	21.0%	24.8%	27.5%	-65.3%	142.5%	148.1%	220.5%	35.3%	26.0%	127.8%
GAAP Total Operating Expenses	\$12,753	\$13,315	\$16,192	\$18,776	\$19,746	\$16,293	\$20,388	\$25,725	\$29,120	\$35,483	\$48,627	\$47,643	\$34,071	\$33,957	\$61,036	\$82,152	\$160,873
% of Net Rev	174.9%	186.1%	209.5%	176.9%	155.9%	102.3%	112.1%	115.0%	132.1%	155.1%	-212.6%	473.6%	371.3%	468.6%	186.1%	118.8%	500.8%
SBC expense	(\$106)	(\$430)	(\$454)	(\$333)	(\$520)	(\$467)	(\$1,358)	(\$2,683)	(\$4,945)	(\$5,128)	(\$5,375)	(\$11,545)	(\$3,002)	(\$1,474)	(\$1,323)	(\$5,029)	(\$26,993)
Non-GAAP Total Operating Expenses	\$12,647	\$12,885	\$15,738	\$18,443	\$19,226	\$15,826	\$19,030	\$23,042	\$24,175	\$30,355	\$43,252	\$36,098	\$31,069	\$32,483	\$59,714	\$77,123	\$133,881
% of Net Rev	173.5%	180.1%	203.6%	173.7%	151.8%	99.4%	104.6%	103.0%	109.6%	132.7%	-189.1%	358.8%	338.6%	448.2%	182.1%	111.5%	416.8%
GAAP Loss from Operations	(\$9,286)	(\$9,787)	(\$12,045)	(\$12,918)	(\$11,733)	(\$5,577)	(\$7,637)	(\$9,925)	(\$13,369)	(\$19,062)	(\$79,048)	(\$45,228)	(\$30,386)	(\$31,443)	(\$44,036)	(\$34,871)	(\$156,707)
Stock-based compensation	\$107	\$433	\$457	\$342	\$525	\$471	\$1,367	\$2,726	\$5,131	\$5,241	\$5,478	\$11,881	\$3,024	\$1,511	\$1,339	\$5,089	\$27,731
Non-GAAP Loss from Operations	(\$9,180)	(\$9,354)	(\$11,588)	(\$12,576)	(\$11,208)	(\$5,106)	(\$6,269)	(\$7,199)	(\$8,238)	(\$13,821)	(\$73,569)	(\$33,347)	(\$27,362)	(\$29,932)	(\$42,698)	(\$29,782)	(\$128,976)
OI&E	\$63	\$28	(\$112)	(\$429)	(\$5)	(\$1,015)	(\$2,090)	(\$1,874)	(\$252)	(\$260)	(\$267)	(\$268)	(\$259)	(\$1,001)	(\$450)	(\$4,984)	(\$1,046)
GAAP Net loss and comprehensive loss	(\$9,223)	(\$9,759)	(\$12,157)	(\$13,347)	(\$11,738)	(\$6,592)	(\$9,726)	(\$11,799)	(\$13,621)	(\$19,322)	(\$79,315)	(\$45,496)	(\$30,645)	(\$32,444)	(\$44,486)	(\$39,855)	(\$157,754)
Stock-based compensation	\$107	\$433	\$457	\$342	\$525	\$471	\$1,367	\$2,726	\$5,131	\$5,241	\$5,478	\$11,881	\$3,024	\$1,511	\$1,339	\$5,089	\$27,731
Non-GAAP Net loss and comprehensive loss	(\$9,116)	(\$9,326)	(\$11,700)	(\$13,005)	(\$11,214)	(\$6,121)	(\$8,359)	(\$9,073)	(\$8,490)	(\$14,081)	(\$73,836)	(\$33,615)	(\$27,621)	(\$30,933)	(\$43,147)	(\$34,767)	(\$130,023)
COGS	\$1	\$3	\$3	\$9	\$5	\$4	\$9	\$43	\$186	\$113	\$104	\$336	\$22	\$37	\$16	\$60	\$738
S&M	\$7	\$46	\$73	\$62	\$123	\$126	\$344	\$1,035	\$1,856	\$1,899	\$1,841	\$5,617	\$640	\$693	\$188	\$1,629	\$11,213
R&D	\$16	\$84	\$83	\$49	\$164	\$91	\$295	\$272	\$1,067	\$1,100	\$1,584	\$3,188	\$1,020	(\$585)	\$232	\$822	\$6,939
G&A	\$84	\$300	\$298	\$222	\$233	\$250	\$719	\$1,376	\$2,022	\$2,129	\$1,949	\$2,740	\$1,342	\$1,366	\$903	\$2,578	\$8,841
Total stock-based compensation	\$107	\$433	\$457	\$342	\$525	\$471	\$1,367	\$2,726	\$5,131	\$5,241	\$5,478	\$11,881	\$3,024	\$1,511	\$1,339	\$5,089	\$27,731

THANK YOU