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

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 OR 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **November 7, 2022**

EARGO, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-39616**	**27-3879804**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

2665 North First Street, Suite 300 **San Jose, California**	**95134**
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code: **(650) 351-7700**

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	**Trading Symbol(s)**	**Name of each exchange on which registered:**
Common Stock, $0.0001 par value per share	EAR	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 8.01 Other Events

On October 31, 2022, Eargo, Inc. (the “Company”) announced the launch of a rights offering of an aggregate of 375,000,000 shares of common stock, par value $0.0001 per share, of the Company at a cash subscription price of $0.50 per share (the “Rights Offering”).

The Company is filing this Current Report on Form 8-K (this “Current Report”) to provide certain supplemental pro forma financial information as of September 30, 2022 relating to the Rights Offering, which is attached hereto as Exhibit 99.1 and incorporated herein by reference.

The Rights Offering will be made only by means of a prospectus, dated October 27, 2022 (the “Prospectus”), which was filed with the Securities and Exchange Commission (the “SEC”). Stockholders are urged to read the Prospectus, including the section entitled “Rights Factors” beginning on page 10, and other documents the Company has filed with the SEC for more complete information about the Company and the Rights Offering.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits.

Exhibit No.	Description
99.1	Supplemental Pro Forma Financial Information as of September 30, 2022
104	Cover Page Interactive Data File (embedded within the inline XBRL document).

Forward-Looking Statements

This Current Report contains forward-looking statements within the meaning of Section 27A of the Securities Act and Section 21E of the Securities Exchange Act of 1934, as amended. All statements other than statements of historical fact contained in this Current Report are forward-looking statements, including statements regarding timing and possible outcomes of 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, uncertainties and assumptions related to: completion of the rights offering; the extent to which we may be able to validate and establish additional processes to support the submission of claims for reimbursement to health plans under the FEHB program, and our ability to maintain or increase insurance coverage of our hearing aids in the future; the timing or results of ongoing claims audits and medical records reviews by third-party payors; the extent of losses from hearing aids delivered to customers from September 21, 2021 until December 8, 2021; the impact of third-party payor audits and the regulatory landscape for hearing aid devices on our business and results of operations; 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 insurance coverage of our 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 new over-the-counter hearing aid 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 our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and our other filings with the Securities and Exchange Commission (the “SEC”). Any forward-looking statements in this Current Report 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 Current Report. Except as required by law, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information About the Rights Offering and Where to Find It

The Company has filed the Prospectus with the SEC relating to the rights offering. Before you invest, you should read the Prospectus and other documents the Company has filed with the SEC for more complete information about the Company and the 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:

Morrow Sodali LLC
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
E-mail: EAR.info@investor.morrowsodali.com

No Offer or Solicitation

This Current Report 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. Stockholders are urged to read the final Prospectus filed with the SEC and the other documents the Company has filed with the SEC for more complete information about the Company and the offering before making any investment decision with respect to the rights offering because they will contain important information regarding the offering. You should not construe the contents of this communication 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: November 7, 2022

EARGO, INC.

By: /s/ Adam Laponis

Adam Laponis

Chief Financial Officer

Exhibit 99.1

Capitalization

The following table sets forth our cash and cash equivalents and our capitalization as of September 30, 2022 on:

- an actual basis; and
- a pro forma basis, to give effect to (a) the approval by our stockholders at the 2022 Annual Meeting to increase the number of authorized shares of common stock under our amended and restated articles of incorporation to 450,000,000, (b) the issuance and sale of 375,000,000 shares of common stock in this Rights Offering and our receipt of the proceeds from this Rights Offering (based on the subscription price), after deducting estimated offering expenses, and (c) the repayment of the Notes as required under the Note Purchase Agreement.

The pro forma information set forth below is illustrative only and will be adjusted based on the number of shares actually sold. You should read this information in conjunction with our consolidated financial statements and notes thereto incorporated by reference into this prospectus.

(in thousands, except share and per share amounts)	**As of September 30, 2022** Actual	Pro Forma(1)
Cash and cash equivalents	$ 88,075	$ 123,947
Convertible notes	125,000	—
Stockholders' equity (deficit):		
Preferred stock, $0.0001 par value per share; 5,000,000 shares authorized, no shares issued and outstanding, actual; 5,000,000 shares authorized, no shares issued or outstanding, pro forma	—	—
Common stock, $0.0001 par value per share; 300,000,000 shares authorized, 39,411,069 shares issued and outstanding, actual; 450,000,000 shares authorized and 414,411,069 shares issued and outstanding, pro forma	4	41
Additional paid-in capital	434,200	619,163
Accumulated deficit	(470,528)	(495,528)
Total stockholders' (deficit) equity	(36,324)	123,676
Total capitalization	$ 88,676	$ 123,676

(1) The pro forma information set forth below assumes the Rights Offering is consummated by November 25, 2022 and is fully subscribed. We intend to complete the Rights Offering on or before November 25, 2022, unless our board of directors elects to extend the Rights Offering in its discretion. Assuming we complete the Rights Offering by November 25, 2022 but our existing stockholders subscribe to purchase less than 75 million shares, or we elect to extend the Rights Offering and it is completed after November 25, 2022 but by December 24, 2022, we have agreed to issue and sell, and the Noteholders have agreed to purchase, up to an additional $25 million of Notes, subject to the terms and conditions of the Note Purchase Agreement. The estimated net proceeds we will receive from the Rights Offering and the sale of any additional Notes to the Noteholders, after the payment of approximately $2.5 million of estimated expenses of the offering and the repayment of the Notes at their Repayment Value from the proceeds of the offering, will range from only $22.5 million to $35.0 million. For more information, please refer to "Questions & Answers — How will the Note Purchase Agreement and Rights Offering affect our common stock?"

The number of shares of our common stock to be outstanding after this offering reflected in the table above is based on 39,411,069 shares of common stock outstanding as of September 30, 2022 on a pro forma basis, and excludes:

- 5,465,122 shares of our common stock issuable upon the exercise of outstanding stock options as of September 30, 2022, with a weighted-average exercise price of $4.69 per share;
- 3,278,735 shares of our common stock issuable upon the vesting of restricted stock units ("RSUs") and 80,000 shares of our common stock issuable upon the vesting of performance-based RSUs as of September 30, 2022;
- 9,307,482 shares of our common stock reserved for issuance under the 2020 Incentive Award Plan (the "2020 Plan"), of which 5,144,707 are available for issuance in connection with grants of future awards; and
- 1,327,567 shares of our common stock reserved for future issuance under our 2020 Employee Stock Purchase Plan (the "ESPP").

Dilution

Purchasers of our common stock in the Rights Offering will experience an immediate dilution of the net tangible book value per share of our common stock. Our historical net tangible book value as of September 30, 2022, was $(45.0) million, or $(1.14) per share of our common stock. Net tangible book value per share is equal to our total net tangible book value, which is our total tangible assets less our total liabilities, divided by the number of shares of our outstanding common stock. Dilution per share equals the difference between the amount per share paid by purchasers of shares of our common stock in the Rights Offering and the net tangible book value per share of our common stock immediately after the Rights Offering. Our pro forma net tangible book value as of September 30, 2022 was $116.1 million, or $0.28 per share, based on the total number of shares of our common stock outstanding as of September 30, 2022, assuming we complete this Rights Offering by November 25, 2022 and after giving effect to (a) the approval by our stockholders at the 2022 Annual Meeting to increase the number of authorized shares of common stock under our amended and restated articles of incorporation to 450,000,000, (b) the issuance and sale of 375,000,000 shares of common stock in this Rights Offering and our receipt of the proceeds from this Rights Offering (based on the subscription price), after deducting estimated offering expenses of approximately $2.5 million, and (c) the repayment of the Notes as required under the Note Purchase Agreement.

The following table illustrates this per-share dilution on a pro forma basis, on the assumptions and after giving effect to the adjustments described above.

Subscription Price		$ 0.50
Net tangible book value per share as of September 30, 2022	$ (1.14)	
Pro forma net tangible book value per share as of September 30, 2022	0.28	
Increase in pro forma net tangible book value per share	1.42	
Dilution in net tangible book value per share to stockholders participating in this offering		$ 0.22

We intend to complete the Rights Offering on or before November 25, 2022, unless our board of directors elects to extend the Rights Offering in its discretion. Assuming we complete the Rights Offering by November 25, 2022 but our existing stockholders subscribe to purchase less than 75 million shares, or we elect to extend the Rights Offering and it is completed after November 25, 2022 but by December 24, 2022, we have agreed to issue and sell, and the Noteholders have agreed to purchase, up to an additional $25 million of Notes, subject to the terms and conditions of the Note Purchase Agreement. The estimated net proceeds we will receive from the Rights Offering and the sale of any additional Notes to the Noteholders, after the payment of $2.5 million of estimated expenses of the offering and the repayment of the Notes at their Repayment Value from the proceeds of the offering, will range from only $22.5 million to $35.0 million, on a pro forma basis. Such net proceeds to us and the per share dilution on a pro forma basis will vary as follows:

- If we complete the Rights Offering by November 25, 2022 and our existing stockholders subscribe for at least 75 million shares, such net proceeds we will receive will be approximately $35.0 million and our pro forma net tangible book value per share as of September 30, 2022, our increase in pro forma net tangible book value per share and the dilution in net tangible book value per share to stockholders participating in the offering, will be as set out in the table above.

- If we complete the Rights Offering by November 25, 2022 and our existing stockholders subscribe for fewer than 75 million shares, for each 25 million fewer shares less than 75 million shares that they purchase, we will receive $4.2 million less in net proceeds, our pro forma net tangible book value per share as of September 30, 2022 will decrease by $0.01 per share, our increase in pro forma net tangible book value per share will decrease by $0.01 per share, and the dilution in net tangible book value per share to stockholders participating in the offering will increase by $0.01 per share.

- If we complete the Rights Offering by November 25, 2022 and our existing stockholders subscribe for no shares, such net proceeds we will receive will be approximately $22.5 million, our pro forma net tangible book value per share as of September 30, 2022 would be $0.25, and our increase in pro forma net tangible book value per share would be $1.39.

- If we do not complete the Rights Offering by November 25, 2022, such net proceeds we will receive will be approximately $22.5 million, our pro forma net tangible book value per share as of September 30, 2022 would be $0.25, our increase in pro forma net tangible book value per share would be $1.39, and the dilution in net tangible book value per share to stockholders participating in the offering would be $0.25.

The information above is as of September 30, 2022 and excludes the following:

- 5,465,122 shares of our common stock issuable upon the exercise of outstanding stock options as of September 30, 2022, with a weighted-average exercise price of $4.69 per share;

- 3,278,735 shares of our common stock issuable upon the vesting of RSUs and 80,000 shares of our common stock issuable upon the vesting of performance-based RSUs as of September 30, 2022;

- 9,307,482 shares of our common stock reserved for issuance under the 2020 Plan, of which 5,144,707 are available for issuance in connection with grants of future awards; and

- 1,327,567 shares of our common stock reserved for future issuance under the ESPP.

To the extent that outstanding options are exercised or restricted stock units vest and are settled, the investors purchasing our common stock in this Rights Offering will experience further dilution. In addition, we may choose to raise additional capital due to market conditions or strategic considerations. To the extent that additional capital is raised through the sale of securities, the issuance of those securities could result in further dilution to our stockholders.