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): April 29, 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 1.01. Entry into a Material Definitive Agreement.

On April 29, 2022, Eargo, Inc. (the “Company”) entered into a civil settlement agreement (the “Settlement Agreement”) with the U.S. government to, among other things, resolve the previously announced investigation by the U.S. Department of Justice, including a $34.4 million settlement payment (excluding interest).

The foregoing description of the Settlement Agreement is qualified in its entirety by the full text of the Settlement Agreement, which is attached hereto as Exhibit 10.1 and is incorporated herein by reference.

Item 2.02. Results of Operations and Financial Condition.

On April 29, 2022, the Company announced certain business information and financial results and guidance. A copy of the Company's press release is furnished pursuant to Item 2.02 as Exhibit 99.1 hereto.

The information in this Item 2.02, including Exhibit 99.1, shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, and such information shall not be deemed to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 7.01. Regulation FD Disclosure.

A copy of the press releases announcing the Settlement Agreement is attached hereto as Exhibit 99.2 and is incorporated herein by reference.

The information contained in this Item 7.01, including Exhibit 99.2, is furnished herewith and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, and such information shall not be deemed to be incorporated by reference into any of the Company's filings under the Securities Act or the Exchange Act, regardless of any general incorporation language in such filing, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Settlement Agreement.
99.1	Press Release, dated April 29, 2022, relating to certain business information and financial results and guidance.
99.2	Press Release, dated April 29, 2022, relating to the Settlement Agreement.
104	Cover Page Interactive Data File (embedded within the inline XBRL document).

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: April 29, 2022

EARGO, INC.

By: /s/ Adam Laponis
Adam Laponis
Chief Financial Officer

Exhibit 10.1

SETTLEMENT AGREEMENT

This Settlement Agreement ("Agreement") is entered into among the United States of America, acting through the United States Department of Justice, and on behalf of the Office of Personnel Management ("OPM"), which administers the Federal Employees Health Benefits Program ("FEHBP") (collectively, the "United States"), and Eargo, Inc. ("Eargo" or the "Company") (hereafter collectively referred to as "the Parties"), through their authorized representatives.

RECITALS

A. Eargo is a for-profit corporation, incorporated in Delaware and based in San Jose, California, which sells and dispenses hearing aid devices directly to customers nationwide. Eargo's customers include participants enrolled in the FEHBP.

B. The United States contends that Eargo submitted or caused to be submitted claims for payment to the FEHBP, 5 U.S.C. §§ 8901-8914.

C. The United States contends that it has certain civil claims against Eargo arising from Eargo submitting or causing the submission of claims for payment to the FEHBP for hearing aid devices. In particular, the United States contends that during the period from January 1, 2017 through January 31, 2021, Eargo submitted or caused the submission of claims for payment to the FEHBP using unsupported hearing loss-related diagnosis codes (ICD-10 diagnosis codes H90.5 and H91.93) on claims for hearing aid devices that Eargo submitted to the FEHBP and on superbills Eargo provided to FEHBP participants to obtain reimbursement from the FEHBP. This conduct is referred to below as the "Common Law Covered Conduct." The United States also contends that during the period from February 1, 2021 through September 22, 2021, Eargo knowingly submitted or caused the submission of false claims for payment to the FEHBP for hearing aid devices. The United States contends that from February 1, 2021 through

September 22, 2021, after conducting an internal review of its coding and billing practices, Eargo continued to submit or cause the submission of claims using unsupported hearing loss-related diagnosis codes (ICD-10 diagnosis codes H90.5 and H91.93) on claims for hearing aid devices that Eargo submitted to the FEHBP and on superbills Eargo provided to FEHBP participants that Eargo knew or should have known the participants would use to obtain reimbursement from the FEHBP. This conduct is referred to below as the "False Claims Act Covered Conduct." The Common Law Covered Conduct and the False Claims Act Covered Conduct are collectively referred to herein as the "Covered Conduct."

D. Eargo denies the United States' allegations in Paragraph C.

E. This Settlement Agreement is neither an admission of liability by Eargo nor a concession by the United States that its claims are not well founded.

To avoid the delay, uncertainty, inconvenience, and expense of protracted litigation of the above claims, and in consideration of the mutual promises and obligations of this Settlement Agreement, the Parties agree and covenant as follows:

TERMS AND CONDITIONS

1. Eargo shall pay to the United States $34,372,032.38 (the "Settlement Amount") and interest on the Settlement Amount at a rate of 1.875 percent per annum from February 28, 2022, of which $30,392,718.19 is restitution, no later than five (5) days after the Effective Date of this Agreement by electronic funds transfer pursuant to written instructions to be provided by the Civil Division of the United States Department of Justice.

2. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases Eargo, together with its current and former parent corporations; direct and indirect subsidiaries; brother or sister corporations; divisions; current or former corporate owners; and the corporate successors and assigns of any of them (collectively, the Released Parties), from any civil or administrative monetary claim the United States has for the Common Law Covered Conduct under the common law theories of payment by mistake or unjust enrichment.

3. Subject to the exceptions in Paragraph 5 (concerning reserved claims) below, and upon the United States' receipt of the Settlement Amount plus interest due under Paragraph 1, the United States releases the Released Parties from any civil or administrative monetary claim the United States has for the False Claims Act Covered Conduct under the False Claims Act, 31 U.S.C. §§ 3729-3733; the Civil Monetary Penalties Law, 42 U.S.C. § 1320a-7a; the Program Fraud Civil Remedies Act, 31 U.S.C. §§ 3801-3812; or the common law theories of payment by mistake, unjust enrichment, and fraud.

4. In consideration of the obligations of Eargo in this Agreement, and upon the United States' receipt of full payment of the Settlement Amount plus interest due under Paragraph 1, OPM shall release and refrain from instituting, directing, or maintaining any administrative action seeking exclusion from the FEHBP against Eargo under 5 U.S.C. § 8902a or 5 C.F.R. Part 890 Subpart J or Part 919 for the Covered Conduct, except as reserved in this paragraph and in Paragraph 5 (concerning reserved claims), below, and except if excluded by the OIG-HHS pursuant to 42 U.S.C. § 1320a-7(a). OPM expressly reserves all rights to comply with any statutory obligation to debar Eargo from the FEHBP under 5 U.S.C. § 8902a(b) (mandatory exclusion) based upon the Covered Conduct. Nothing in this paragraph precludes OPM from taking action against entities or persons, or for conduct and practices, for which claims have been reserved in Paragraph 5, below.

5. Notwithstanding the releases given in Paragraphs 2 through 4 of this Agreement, or any other term of this Agreement, the following claims and rights of the United States are specifically reserved and are not released:

a. Any liability arising under Title 26, U.S. Code (Internal Revenue Code);

b. Any criminal liability;

c. Except as explicitly stated in this Agreement, any administrative liability or enforcement right, including mandatory exclusion from Federal health care programs;

d. Any liability to the United States (or its agencies) for any conduct other than the Covered Conduct;

e. Any liability based upon obligations created by this Agreement;

f. Any liability of individuals;

g. Any liability for express or implied warranty claims or other claims for defective or deficient products or services, including quality of goods and services;

h. Any liability for failure to deliver goods or services due; and

i. Any liability for personal injury or property damage or for other consequential damages arising from the Covered Conduct.

6. Eargo waives and shall not assert any defenses Eargo may have to any criminal prosecution or administrative action relating to the Covered Conduct that may be based in whole or in part on a contention that, under the Double Jeopardy Clause in the Fifth Amendment of the Constitution, or under the Excessive Fines Clause in the Eighth Amendment of the Constitution, this Agreement bars a remedy sought in such criminal prosecution or administrative action.

7. Eargo fully and finally releases the United States, its agencies, officers, agents, employees, and servants, from any claims (including attorney's fees, costs, and expenses of every kind and however denominated) that Eargo has asserted, could have asserted, or may assert in the future against the United States, and its agencies, officers, agents, employees, and servants related to the Covered Conduct and the United States' investigation and prosecution thereof.

8. The Settlement Amount shall not be decreased as a result of the denial of claims for payment now being withheld from payment by any FEHBP carrier or payer or any state payer, related to the Covered Conduct, and Eargo agrees not to resubmit to any FEHBP carrier or payer or any state payer any previously denied claims related to the Common Law Covered Conduct or the False Claims Act Covered Conduct, agrees not to appeal any such denials of claims, and agrees to withdraw any such pending appeals.

9. Eargo agrees to the following:

a. Unallowable Costs Defined: All costs (as defined in the Federal Acquisition Regulation, 48 C.F.R. § 31.205-47; and in Titles XVIII and XIX of the Social Security Act, 42 U.S.C. §§ 1395-1395lll and 1396-1396w-5; and the regulations and official program directives promulgated thereunder) incurred by or on behalf of Eargo, its present or former officers, directors, employees, shareholders, and agents in connection with:

(1) the matters covered by this Agreement;

(2) the United States' audit(s) and civil investigation(s) of the matters covered by this Agreement;

(3) Eargo's investigation, defense, and corrective actions undertaken in response to the United States' audit(s) and civil investigation(s) in connection with the matters covered by this Agreement (including attorneys' fees);

(4) the negotiation and performance of this Agreement; and

(5) the payment Eargo makes to the United States pursuant to this Agreement,

are unallowable costs for government contracting purposes and under the Medicare Program, Medicaid Program, TRICARE Program, and Federal Employees Health Benefits Program (FEHBP) (hereinafter referred to as Unallowable Costs).

b. Future Treatment of Unallowable Costs: Unallowable Costs shall be separately determined and accounted for by Eargo, and Eargo shall not charge such Unallowable Costs directly or indirectly to any contracts with the United States or any State Medicaid program, or seek payment for such Unallowable Costs through any cost report, cost statement, information statement, or payment request submitted by Eargo or any of its subsidiaries or affiliates to the Medicare, Medicaid, TRICARE, or FEHBP Programs.

c. Treatment of Unallowable Costs Previously Submitted for Payment: Eargo further agrees that within 90 days of the Effective Date of this Agreement it shall identify to applicable FEHBP fiscal agents any Unallowable Costs (as defined in this Paragraph) included in payments previously sought from the United States, or any State Medicaid program, including, but not limited to, payments sought in any cost reports, cost statements, information reports, or payment requests already submitted by Eargo or any of its subsidiaries or affiliates, and shall request, and agree, that such cost reports, cost statements, information reports, or payment requests, even if already settled, be adjusted to account for the effect of the inclusion of the unallowable costs. Eargo agrees that the United States, at a minimum, shall be entitled to recoup from Eargo any overpayment plus applicable interest and penalties as a result of the inclusion of such Unallowable Costs on previously-submitted cost reports, information reports, cost statements, or requests for payment.

Any payments due after the adjustments have been made shall be paid to the United States pursuant to the direction of the Department of Justice and/or the affected agencies. The United States reserves its rights to disagree with any calculations submitted by Eargo or any of its subsidiaries or affiliates on the effect of inclusion of Unallowable Costs (as defined in this paragraph) on Eargo or any of its subsidiaries or affiliates' cost reports, cost statements, or information reports.

d. Nothing in this Agreement shall constitute a waiver of the rights of the United States to audit, examine, or re-examine Eargo's books and records to determine that no Unallowable Costs have been claimed in accordance with the provisions of this paragraph.

10. Eargo agrees to cooperate fully and truthfully with the United States' investigation of individuals and entities not released in this Agreement. Upon reasonable notice, Eargo shall encourage, and agrees not to impair, the cooperation of its directors, officers, and employees, and shall use its best efforts to make available, and encourage, the cooperation of former directors, officers, and employees for interviews and testimony, consistent with the rights and privileges of such individuals. Eargo further agrees to furnish to the United States, upon request, complete and unredacted copies of all non-privileged documents, reports, memoranda of interviews, and records in its possession, custody, or control concerning any investigation of the Covered Conduct that it has undertaken, or that has been performed by another on its behalf.

11. This Agreement is intended to be for the benefit of the Parties only. The Parties do not release any claims against any other person or entity, except to the extent provided for in Paragraph 12 (waiver for beneficiaries paragraph), below.

12. Eargo agrees that it waives and shall not seek payment for any of the health care billings covered by this Agreement from any health care beneficiaries or their parents, sponsors, legally responsible individuals, or third party payors based upon the claims defined as the Covered Conduct.

13. Each Party shall bear its own legal and other costs incurred in connection with this matter, including the preparation and performance of this Agreement.

14. Each Party and signatory to this Agreement represents that it freely and voluntarily enters into this Agreement without any degree of duress or compulsion.

15. This Agreement is governed by the laws of the United States. The exclusive venue for any dispute relating to this Agreement is the United States District Court for the Northern District of Texas. For purposes of construing this Agreement, this Agreement shall be deemed to have been drafted by all Parties to this Agreement and shall not, therefore, be construed against any Party for that reason in any subsequent dispute.

16. This Agreement constitutes the complete agreement between the Parties. This Agreement may not be amended except by written consent of the Parties.

17. The undersigned counsel represent and warrant that they are fully authorized to execute this Agreement on behalf of the persons and entities indicated below.

18. This Agreement may be executed in counterparts, each of which constitutes an original and all of which constitute one and the same Agreement.

19. This Agreement is binding on Eargo's successors, transferees, heirs, and assigns.

20. All Parties consent to the United States' disclosure of this Agreement, and information about this Agreement, to the public.

21. This Agreement is effective on the date of signature of the last signatory to the Agreement (Effective Date of this Agreement). Facsimiles and electronic transmissions of signatures shall constitute acceptable, binding signatures for purposes of this Agreement.

THE UNITED STATES OF AMERICA

DATED: April 29, 2022	BY:	/s/ Samuel Lehman SAMUEL LEHMAN Trial Attorney Commercial Litigation Branch Civil Division United States Department of Justice
DATED: April 27, 2022	BY:	/s/ Kenneth G. Coffin KENNETH G. COFFIN Assistant United States Attorney Northern District of Texas
DATED: April 27, 2022	BY:	/s/ Edward M. Deharde EDWARD M. DEHARDE Deputy Associate Director of Federal Employee Insurance Operations, Healthcare and Insurance United States Office of Personnel Management
DATED: April 27, 2022	BY:	/s/ Paul St. Hillaire PAUL ST. HILLAIRE Assistant Inspector General for Legal & Legislative Affairs Office of the Inspector General United States Office of Personnel Management

EARGO, INC.

DATED: April 29, 2022	BY:	/s/ Christian Gormsen CHRISTIAN GORMSEN Chief Executive Officer Eargo, Inc.
DATED: April 29, 2022	BY:	/s/ Alice Fisher ALICE FISHER TERRA REYNOLDS Counsel for Eargo, Inc. Latham & Watkins LLP

Exhibit 99.1

Eargo Provides Business Update

Reached settlement agreement to resolve DOJ investigation

Company to Hold Conference Call and Web Cast on May 2, 2022 at 8:00 a.m. Eastern Time

SAN JOSE, CA., April 29, 2022 – Eargo, Inc. (Nasdaq: EAR) (the "Company"), a medical device company on a mission to improve the quality of life of people with hearing loss, today provided a business update and provided guidance on its operating cash runway.

Business Updates:

- Preliminary first quarter 2022 Gross systems shipped is expected to be approximately 5,770, representing 100% cash pay shipments.
    - Focused on efficiency of cash pay business, including reduced media spend and driving improved conversion rates.
    - Conducting retail pilots under existing regulations at partnered physical locations, offering consumers an in-person Eargo experience and driving new awareness.
- Preliminary cash and cash equivalents as of March 31, 2022 expected to be approximately $89 million.

DOJ Settlement

- Reached a civil settlement agreement with the U.S. government to resolve the DOJ investigation, including a $34.4 million settlement payment, as disclosed separately.

Management Priorities, Outlook & Cash Runway

- Top management priority is to regain insurance coverage of Eargo for government employees under the Federal Employee Health Benefits ("FEHB") program. Working to engage directly with the Office of Personnel Management ("OPM") to align on and establish processes to support the submission of claims through the FEHB program.
- Excluding the $34.4 million settlement payment the Company expects to make in the second quarter of 2022, the Company expects its cash burn in 2022 to be approximately $20 million to $25 million per quarter and anticipates that it will need to raise capital over the course of 2022.

More information on the settlement agreement is included in a separate press release issued by the Company today.

Christian Gormsen, President and Chief Executive Officer, said, "We are pleased that we have now put the DOJ investigation behind us and have done so on such a rapid timeline since learning of the investigation on September 21, 2021. We can now turn our focus back to operating the business and to future growth opportunities. One of our top management priorities is to regain insurance coverage of Eargo for government employees under the FEHB program, and we are very pleased that OPM has agreed to not take administrative action seeking the exclusion of Eargo from the FEHB program and has indicated there will be an opportunity for further dialogue with us. Our goal is to align with the OPM on and establish processes to support the submission of claims through the FEHB program. We expect this to take some time, and it is too early to speculate whether we will be able to reach acceptable processes to support the submission of claims."

Mr. Gormsen continued, “While we have incurred increased expenses, primarily in connection with the DOJ investigation, we have also made several operational changes since learning of the DOJ investigation, including no longer accepting insurance benefits as a form of payment and adjusting our media spend to focus on cash-pay customers. We believe these factors, as well as the uncertainty following our learning of the DOJ investigation, resulted in lower shipments and higher cash burn in the fourth quarter. While this created a very challenging operating environment, the quick and decisive action we took to improve the efficiency of our cash-pay business resulted in higher conversion rates at significantly lower media spend levels. When combined with several additional cost cutting initiatives, these efforts have allowed us to reduce our cash burn relative to the abnormally high cash burn in the fourth quarter of 2021.”

Business Update

From the time the Company learned of the DOJ investigation until December 8, 2021, the Company continued to process orders for customers with potential insurance coverage (including FEHB program members) but suspended all claims submission activities and has offered affected customers the option to return their hearing aids or purchase their hearing aids without the use of their insurance benefits in case their claim is denied or ultimately not submitted. Based on the terms of the civil settlement agreement, the Company does not expect to seek any additional payment from customers whose claims have already been submitted. The Company made the decision to stop accepting insurance benefits as a method of direct payment beginning on December 8, 2021.

The Company also determined that customer transactions using insurance benefits as a method of direct payment submitted subsequent to the date the Company learned of the DOJ investigation on September 21, 2021 did not meet the criteria for revenue recognition. Therefore, the Company has not recognized revenue for shipments to customers with potential insurance coverage, substantially all of whom were covered under the FEHB program, subsequent to that date. As part of assessing the impact of the DOJ investigation, the Company also anticipates a change in its estimate of the sales returns recorded in the third quarter of 2021, based on its estimate that a majority of customers with unsubmitted claims will choose to return the hearing aid system. This change in estimate includes unsubmitted claims from transactions that occurred prior to the third quarter of 2021.

Total third quarter 2021 gross systems shipped were approximately 13,117, an increase of approximately 30% versus the third quarter of 2020. Approximately 48% of those shipments were to customers using insurance benefits as a method of direct payment. Additionally, the Company did not recognize revenue on approximately 670 hearing aid systems shipped to customers with potential insurance coverage during the third quarter of 2021, subsequent to the date it learned of the DOJ investigation on September 21, 2021.

Total fourth quarter 2021 gross systems shipped were approximately 7,760, down approximately 36% year-over-year. 20% of preliminary fourth quarter shipments were shipments to customers with potential insurance benefits and for which the Company did not recognize revenue.

Preliminary first quarter 2022 gross systems shipped are expected to be approximately 5,770, down approximately 51% year-over-year, representing 100% cash pay shipments.

Preliminary cash and cash equivalents were approximately $89 million as of March 31, 2022, $110 million as of December 31, 2021, and $156.4 million as of September 30, 2021. Net operating cash burn in the fourth quarter 2021 was $45.9 million and included several expenses specific to the DOJ investigation.

The Company previously disclosed an audit by its largest third-party payor, and the Company remains subject to a prepayment review of claims by that payor. The Company also does not intend to submit any claims through the FEHB program until it is able to align with the OPM on and establish processes for supporting the submission of these claims.

In line with the Company's priority to regain insurance coverage of Eargo for government employees under the FEHB program, the Company is focused on enhancing its compliance and risk management processes with respect to its operations in the healthcare industry and hiring additional qualified personnel and specialized consulting resources before submitting any further claims. Additionally, among other things, the Company intends to establish a new role of Chief Compliance Officer, and the board of directors intends to form a new Risk and Compliance Committee comprised solely of independent directors.

Nasdaq Listing

As previously disclosed, the Company was notified by the Nasdaq Stock Market LLC ("Nasdaq") that it was not in compliance with Nasdaq Listing Rule 5250(c)(1) for continued listing as a result of the delay in filing the Company's Form 10-Q for the quarterly period ended September 30, 2021 and Form 10-K for the year ended December 31, 2021. Nasdaq has granted the Company an exception of up to 180 days from the Form 10-Q original filing due date, or until May 16, 2022, to regain compliance.

2022 Financial Guidance

Excluding the $34.4 million settlement payment that the Company expects to make in the second quarter of 2022, the Company expects its cash burn in 2022 to be approximately $20 million to $25 million per quarter. Considering the $34.4 million DOJ settlement payment that the Company expects to make in the second quarter of 2022, the Company anticipates that it will need to raise capital over the course of 2022. Due to the uncertainty created in the business, the Company is not providing further financial guidance at this time.

Conference Call and Webcast Information

Eargo will host a conference call to discuss the third and fourth quarter financial results and an overall business update before market open on Monday, May 2, 2022, at 5:00 a.m. Pacific Time / 8:00 a.m. Eastern Time. The conference call can be accessed live over the phone at (833) 649-1234 for U.S. callers or (914) 987-7293 for international callers, using conference ID: 7382219. The live webinar can be accessed at ir.eargo.com.

About Eargo

Eargo is a medical device company dedicated to improving the quality of life of people with hearing loss. 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 ever virtually invisible, rechargeable, completely-in-canal, FDA-regulated, exempt Class I or Class II devices indicated to compensate for mild to moderate 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 device is 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

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 preliminary financial results and gross systems shipped for the fourth quarter and year ended December 31, 2021 and preliminary financial results for the first quarter ended March 31, 2022; engagement with the OPM to align on and establish processes for supporting the submission of claims through the FEHB program; our expectations regarding changes in the regulatory landscape for hearing aid devices, including the proposed rule published by the FDA regarding over-the-counter hearing aids; expectations regarding customer returns of hearing aid systems; enhancement of our compliance and risk management processes with respect to our operations in the healthcare industry; and guidance regarding future financial and operating results. 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 our financial closing procedures for the periods ended September 30, 2021, December 31, 2021 and March 31, 2022 and any adjustments that may result from the completion of the annual independent audit of our consolidated financial statements; the extent to which we may be able to validate and establish processes to support the submission of claims for reimbursement from the FEHB program in the future, if at all, and our ability to maintain or increase insurance coverage of our hearing aids; 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; our ability to regain compliance with Nasdaq Listing Rules within the required time period, if at all; our ability to raise capital on acceptable terms, if at all; the impact of the DOJ investigation, 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; 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; 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. 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, we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Investor Contact
Nick Laudico
Senior Vice President of Corporate Strategy and Investor Relations
ir@eargo.com

# # #

Exhibit 99.2

Eargo Finalizes Agreement with the United States to Resolve Investigation With No Admission of Liability

SAN JOSE, CA., April 29, 2022 – Eargo, Inc. (Nasdaq: EAR) ("Eargo" or the "Company") has entered into a civil settlement agreement with the United States to resolve the previously disclosed investigation by the U.S. Department of Justice (the "DOJ") related to insurance reimbursement claims submitted to various federal employee health plans under the Federal Employee Health Benefits ("FEHB") program. Eargo fully cooperated with the DOJ's investigation, the resolution of which allows the Company to continue to move forward with its core mission of improving the quality of life of people with hearing loss.

"We are pleased to reach the resolution announced today and plan to engage with the government regarding potential coverage of Eargo hearing aids for federal employees going forward," said Christian Gormsen, President and Chief Executive Officer. "We remain committed to our mission to improve hearing aid accessibility and to create innovative products that reduce the stigma of hearing loss. We are also continuing to invest significant time and resources into our company-wide compliance program. One of our top management priorities is to regain coverage of Eargo for government employees under the FEHB program. We are very pleased that the Office of Personnel Management ("OPM"), the federal agency responsible for administering the FEHB program, has agreed to not take administrative action seeking the exclusion of Eargo from the FEHB program, and has indicated there will be an opportunity for further dialogue with us."

Eargo denies the allegations in the settlement agreement, and the settlement agreement is not an admission of liability by Eargo. The allegations did not pertain to the quality or performance of the product. The Company's payment of approximately $34.4 million to the government will resolve allegations that Eargo submitted or caused the submission of claims for payment to the FEHB program using unsupported hearing loss-related diagnosis codes.

About Eargo

Eargo is a medical device company dedicated to improving the quality of life of people with hearing loss. 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 ever virtually invisible, rechargeable, completely-in-canal, FDA-regulated, exempt Class I or Class II devices indicated to compensate for mild to moderate 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 device is 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

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 the Company's expectation to engage with the government for potential coverage going forward and investments of time and resources in the Company's company-wide compliance program. 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: the timing or results of ongoing claims audits by third-party payors; the extent of losses from hearing aids delivered to customers from September 21, 2021 until December 8, 2021; our ability to raise capital on acceptable terms, if at all; and the extent to which the Company may be able to validate processes to support the submission of claims for reimbursement from the FEHB program in the future, if at all. You should refer to the section titled "Risk Factors" contained in the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q and other filings with the Securities and Exchange Commission, accessible on the SEC's website at www.sec.gov, for a discussion of important factors that may cause actual results to differ materially from those expressed or implied by any forward-looking statements. Furthermore, if such forward-looking statements prove to be inaccurate, the inaccuracy may be material. 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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