

Eargo and hearX Close Merger, Announce New Combined Company, LXE Hearing

- *Two national hearing health brands combine to make high-quality hearing aids more accessible and affordable for the estimated 44 million American adults with hearing loss*
 - *First notable merger in the over-the-counter hearing aid space since the FDA's 2022 regulations that allowed for the sale of over-the-counter hearing aids*
 - *The new company will receive \$100 million in funding from Patient Square Capital, a dedicated health care investment firm*
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SAN JOSE, Calif., March 31, 2025 – Hearing health pioneers [Eargo](#) and [hearX](#), maker of [Lexie Hearing](#) aids, announced today that they have completed their merger, resulting in the creation of a combined company called [LXE Hearing](#). Backed by an additional \$100 million investment from [Patient Square Capital](#), the deal creates a new hearing health company and is the first notable combination for the over-the-counter (OTC) hearing aid market since the FDA established the regulatory category in 2022.

LXE Hearing will operate as one company with its two established consumer hearing aid brands, Eargo and Lexie Hearing. With a collective 25 years of experience as hearing health innovators, LXE Hearing is looking to set a new standard for the industry that marries Eargo's and Lexie's award-winning credentials in design, device features, sound technology and mobile platforms—against the background of the company's customer-first ethos. LXE Hearing will also be combining product technology platforms and Customer Relationship Management systems to create a more streamlined experience for all their business partners.

LXE Hearing is grounded in clinical excellence, drawing on both companies' exceptional clinical standards and scientific research, with more than 52 peer-reviewed articles validating the technology along with 68 patents.

hearX CEO and co-founder [Nic Klopper](#) will serve as CEO for LXE Hearing, with Eargo's COO and interim CEO [Bill Brownie](#) assuming the role of COO.

"The merger between Lexie and Eargo is founded on our shared mission to create hearing health solutions for everyone, everywhere," said Klopper. "Eargo's cutting-edge design, emphasis on clinical quality and customer-first approach to service perfectly complement hearX's suite of Bose-powered products and its award-winning mobile app. Together, we are going to revolutionize hearing aids and hearing health."

Eargo is recognized as a pioneer in direct-to-consumer hearing aids in the U.S., leading the industry with its highly coveted "virtually invisible" design. With nearly a decade of success in digital hearing detection and diagnostics, hearX established its hearing aid division, Lexie Hearing, in 2020 and quickly established the #1 OTC hearing aid brand in the U.S.¹

"hearX and Lexie Hearing are a natural complement to Eargo," said Brownie. "The combination of our experience, talent and technology will make hearing health solutions more accessible and affordable for the estimated 44 million American adults who experience hearing loss."

Patient Square Capital, a dedicated health care investment firm that invests in high-quality, growth-oriented health care companies, is backing the deal with an additional \$100 million investment, reflecting investor confidence in the direct-to-patient hearing market, which continues to upend the traditional prescription model.

"The vast majority of American adults who suffer from hearing loss currently do not use hearing aids given historical barriers to access and shortcomings with traditional offerings," said Justin Sabet-Peyman, Partner at Patient Square. "We believe that LXE Hearing's innovative technology and unique go-to-market approach, enhanced by the synergies of the business combination, will provide unprecedented solutions to patients in need of hearing care."

For more information about LXE Hearing, please visit www.lxehearing.com.

Advisors

¹ *Source: Circana, LLC, Retail Tracking Service, US Dollar and Unit Sales, Aug 2023 - July 2024

Lazard acted as sole financial advisor to hearX on the merger and capital raise. Ropes & Gray LLP acted as legal counsel to Patient Square Capital and Eargo.

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, complete-in-canal, FDA-regulated devices indicated to compensate for mild to moderate hearing loss. Eargo's differentiated, consumer-first approach empowers consumers to take control of their hearing. Consumers can purchase online, at retail locations or over the phone and get personalized and convenient consultation and support from hearing professionals via phone, text, e-mail or video chat. Eargo hearing aids are offered to consumers OTC without compromising the features, performance or support that we believe is vital to successfully integrating devices into our customers' lives. To learn more, please visit <https://www.eargo.com/>.

About hearX Group

hearX www.hearxgroup.com is an industry-leading health technology company, with a suite of digital, clinically-validated, affordable and mobile technologies for hearing loss detection and diagnosis, for those who need it most. Founded in 2015, hearX technologies are now used in over 70 countries globally for early detection and intervention.

About Lexie Hearing

Lexie Hearing <https://lexiehearing.com/us> has been the #1 OTC hearing aid brand in the U.S. for two years running and was chosen for Inc.'s Best in Business List in Health Products in 2024 for its innovation, quality, and award-winning customer support. Lexie Hearing was named among the 100 Most Influential Companies by TIME in 2023 for its innovative OTC hearing aid technology and meaningful impact on hearing health. Lexie products are clinically proven and are sold in more than 16,000 leading retail stores nationwide.

About Patient Square Capital

Patient Square Capital is a dedicated health care investment firm with approximately \$12 billion in assets under management as of December 31, 2024. The firm aims to achieve strong investment returns by partnering with growth-oriented companies and top-tier management teams whose products, services, and technologies improve health. Patient Square utilizes deep industry expertise, a broad network of relationships, and a partnership approach to make investments in companies that will grow and thrive. Patient Square invests in businesses that strive to improve patient lives, strengthen communities, and create a healthier world. For more information, visit www.patientsquarecapital.com.



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