

Eos Energy Enterprises

2023 Financial Results

March 5, 2024



Eos. Positively ingenious.



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Industry and Market Data

In this presentation, we rely on and refer to information and statistics regarding market participants in the sectors in which Eos competes and other industry data. We obtained this information and statistics from third party sources, including reports by market research firms and company filings. We have not independently verified the accuracy or completeness of, and disclaim and liability with respect to, such third-party sources and the data therein that have been included in this presentation.

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Key Metrics

Backlog. Our backlog represents the amount of revenue that we expect to realize from existing agreements with our customers for the sale of our battery energy storage systems and performance of services. The backlog is calculated by adding new orders in the current fiscal period to the backlog as of the end of the prior fiscal period and then subtracting the shipments in the current fiscal period. If the amount of an order is modified or cancelled, we adjust orders in the current period and our backlog accordingly, but do not retroactively adjust previously published backlogs. We believe that the backlog is a useful indicator regarding the future revenue of our Company.

Pipeline. Our pipeline represents projects for which we have submitted technical proposals or non-binding quotes plus customers with letters of intent (“LOI”) or firm commitments. Pipeline does not include lead generation projects.

2

Booked Orders. Booked orders are orders where we have legally binding agreements with a Purchase Order (“PO”) or Master Supply Agreement (“MSA”) executed by both parties.



2023 Highlights

- ✓ **41% YoY gross margin improvement, 66% Q4 gross margin improvement vs. prior year period**
- ✓ **Achieved two highest quarters of company revenue** with last Gen 2.3 production (Q1) and first full Eos Z3 production (Q4)
- ✓ **First Title XVII non-lithium-ion battery manufacturer** with conditional loan guarantee commitment from **U.S. Department of Energy**
- ✓ **Designed and developing state-of-the-art (SotA) line 1. On schedule for Q2 2024 commissioning** in Turtle Creek, PA

Operating Highlights

Commercial Pipeline¹

\$13 billion

77% increase YoY

Booked Orders²

\$95.5 million

Significantly lower than 2023 target

Orders Backlog at 12/31¹

\$534.8 million

15% increase YoY



Discharge Energy³

1.8 GWh

~1.4 GWh in the field

2023 Revenue²

\$16.4 million

Transitioned to Eos Z3™ Cube

Cash On Hand at 12/31¹

\$69.5 million

Not including ~\$15M restricted cash

(1) Numbers shown as of 12/31/2023

(2) For the twelve months ended 12/31/2023

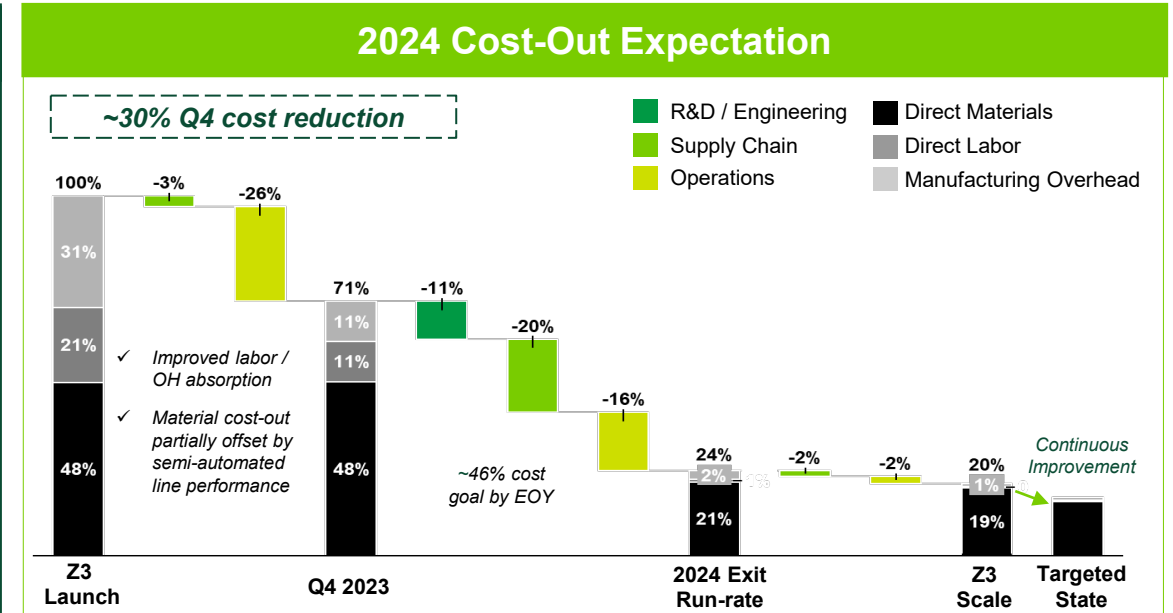
4 (3) Numbers shown as of 2/21/2024



Eos Z3™ Program Update

Transitioned entire manufacturing and product offering from Gen 2.3 to Eos Z3 Cube

	Progress to Date	1H24 Focus
Commercial Dynamics	✓ 1.9 GWh in late-stage opportunities	<i>Pipeline conversion</i>
Semi- Automated Manufacturing	✓ Avg. cycle time from 10 to 3 minutes with ~3% scrap	<i>Expected Q1 lower utilization</i>
State-of-the-Art (SotA) Line 1	✓ Achieved “ Power-On ” status of all motion systems	<i>FAT in Milwaukee SAT in Turtle Creek</i>
Cost-Out Roadmap	✓ Achieved 30% of Dec 12 th outlook cost-out roadmap	<i>Additional Q1 cost-out benefits</i>
System Performance	✓ Shipped Z3 cubes to 4 customers ; Starting installation	<i>Field operating data</i>
Container Performance	✓ Short duration of 600 kWh ; long duration of 695 kWh	<i>Expected Q4 2024 energy density increase</i>
Product Certifications	✓ Z3 module UL 1973 and NDA compliant	<i>Z3 Cube 1973 IEC 62619 IEC 63056</i>



5 (1) Includes \$2.3M non-cash items related to stock-based compensation, depreciation, and amortization
 (2) Includes non-cash items



Commercial Opportunity Pipeline & Orders Backlog



Current Commercial Activity

Total commercial opportunity pipeline increased 77% vs. prior year end of 2022

Lead Generation ¹	Commercial Opportunity Pipeline - \$13B ¹		Backlog ¹
	Active proposals	LOI / Firm commitments	
<p>~\$7B ~24GWh</p> <p><i>Change vs. prior year</i></p> <p>↓ 21%</p> <ul style="list-style-type: none"> ✓ Feasibility study ✓ Develop project plan ✓ Monitor regulations 	<p>~\$2B ~8GWh</p> <p>Technical proposal</p> <p>~\$9B ~30GWh</p> <p>Non-binding quote</p> <div style="border: 1px dashed green; padding: 5px; margin: 10px 0;"> <p>1.9 GWh in late-stage approvals. Awaiting grant awards, shortlisted project closure, and final contracting with Eos technology</p> </div> <p>↑ 71%</p> <ul style="list-style-type: none"> ✓ Clear project requirements ✓ Gather customer specs ✓ Analyze use cases ✓ Commercial & technical proposal 	<p>~\$2B ~9GWh</p> <p>↑ 120%</p> <ul style="list-style-type: none"> ✓ Finalize commercial terms ✓ Contract negotiation ✓ Letter of intent ✓ Open closing conditions 	<p>\$534.8M ~2GWh</p> <p>↑ 15%</p> <ul style="list-style-type: none"> ✓ Binding agreement ✓ Open closing conditions ✓ Purchase orders and/or MSA with down payment

7 (1) Numbers shown as of 12/29/2023

Worldwide Adoption of Energy Storage

Positioning Eos for future growth in 3 key international markets



USA

Market Drivers

- National security concerns, shift to domestic content, longer discharge duration, high energy consumption applications (i.e. data centers)

Eos Opportunity

- US Gov't banned Defense Department from procuring batteries produced by 4 Chinese Companies¹



Italy

Market Drivers

- European Union (EU) Commission approved incentive program to fund 9 GW / 71 GWh of energy storage implementation by 2030²

Eos Opportunity

- Shipped Eos Z3 Cube to Sicily to test diverse potential use cases



Australia

Market Drivers

- 46 GW / 640 GWh of utility-scale battery storage capacity and pumped hydro will be needed to balance the market by 2050³

Eos Opportunity

- Seeking initial commercial pilot project with large natural resource company



India

Market Drivers

- 500 GW renewable energy target capacity by 2030 set by Prime Minister Narendra Modi⁴

Eos Opportunity

- Bidding 24 hr. integrated renewable projects with two large Indian corporations

(1) [US Lawmakers Ban Pentagon From Buying Batteries From China's CATL, BYD - Bloomberg](#)

(2) [EU approves Italy €17.7 billion state aid for energy storage rollout \(energy-storage.news\)](#)

(3) [Australia: Storage in demand in world's most volatile electricity market - Tamarindo](#)

(4) [India to achieve 500 GW renewables target before 2030 deadline: RK Singh - The Economic Times \(indiatimes.com\)](#)

Operational Scale & Capacity



State-of-the-Art (SotA) Manufacturing Line 1 Update

Currently on schedule for Q2 2024 installation and commissioning in Turtle Creek, PA

Highly capital
efficient model

~\$30M¹ capex for
1 GWh+

Vs.

~\$85M for 1 GWh+
lithium-ion assembly²

Currently on Budget



Recent Accomplishments

- ✓ Completed full assembly layout on Acro floor
- ✓ Achieved “power on” status of all motion systems



Key Areas of Focus

- System integration & final debugging
- Workforce training on assembly line

Expanding Strategic Partnerships with World Class Partners

Locking in supply agreements for core battery components to support scaling Eos Z3™ battery production



	<p>Zinc-Bromide High-performance aqueous electrolyte</p>	<ul style="list-style-type: none"> ✓ Four-year supply agreement supplying 75% minimum total finished electrolyte product demand ✓ Cost savings allocation methodologies in place
	<p>Conductive Plastic Non-degradable bipolar electrodes</p>	<ul style="list-style-type: none"> ✓ Multi-year agreement to supply conductive composite thermoplastic ✓ Collaborative development process for new lighter weight, low-cost, conductive composite thermoplastic
<p>Multiple suppliers</p>	<p>Graphite Felt Non-degradable bipolar electrodes</p>	<ul style="list-style-type: none"> ✓ Implementing integrated strategy pan fiber to felt strategy ✓ Moving the supply chain to the US
<p>Multiple suppliers</p>	<p>Plastic Fully-sealed polymer frames</p>	<ul style="list-style-type: none"> ✓ 100% US supply base with multiple suppliers ✓ Expanded capacity and introduced redundancy

Achieving Progress on Cost Roadmap

Cutting in various cost-out initiatives into production in late Q1 2024

Increased felt surface area in each cell by 15%

New



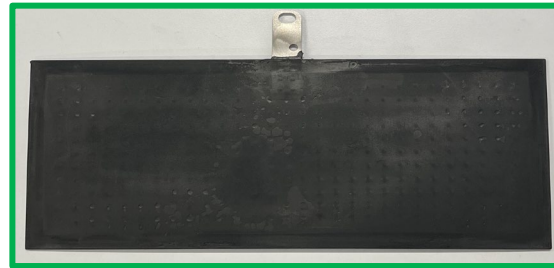
Old



- ✓ 15% more energy per module
- ✓ Reduces inactive material of electrode

Replaced titanium terminal electrodes with conductive plastic

New



Old



- ✓ 65% decrease in cost compared to titanium terminal
- ✓ Simplifies manufacturing process & supply chain

Eos Z3™ Cube energy density up to 695 kWh in Q1 2024¹

Cost Roadmap

~30% of the Z3 cost reduction goal has been achieved in Q4 2023 from launch

Additional Cost –Out Initiatives

Scheduled for late Q1 2024

State-of-the-Art Line Implementation

Scheduled for Q2 2024

Expected Increase in Energy Density

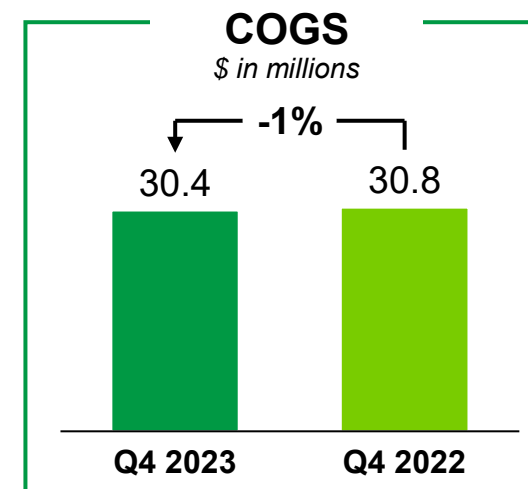
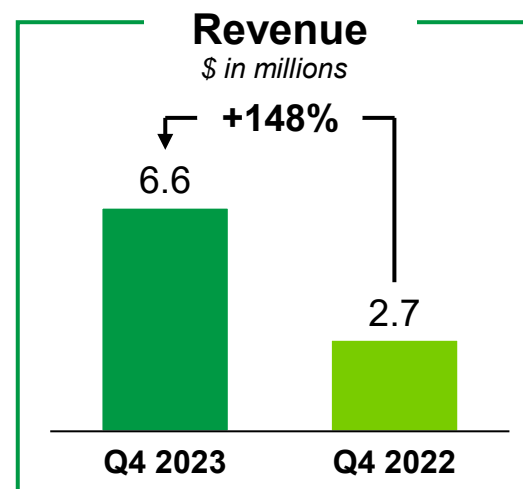
Scheduled for Q4 2024

Financial Results & Forecast



Fourth Quarter 2023 Eos Income Statement

(\$ in millions)	Q4 2023	Q4 2022
Revenue	6.6	2.7
Cost of Goods Sold	30.4	30.8
Gross Loss	(23.7)	(28.1)
R&D expense	5.0	3.6
SG&A expense	13.5	12.6
Loss from write-off of PP&E	0	4.3
Grant (income) / expense	-	(0.0)
Operating Loss	(42.2)	(48.6)
Interest expense, net	8.6	7.6
Change in fair value of warrants and derivatives	(10.9)	0.4
Other (income) / expense	1.3	-
Income tax expense	-	-
Net Loss	(41.2)	(56.6)

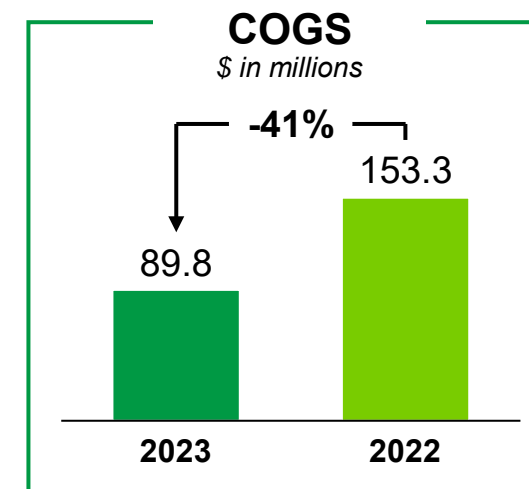
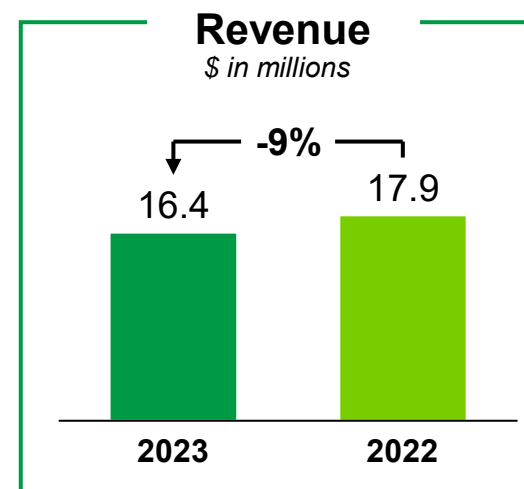


Business Highlights:

- + **148% YoY revenue growth** as manufacturing transitioned from Gen 2.3 to Eos Z3™ Cube from its semi automated manufacturing line
- + **66% improvement** in gross margins vs. prior year period
- + Operating expenses of **\$18.5 million, a 10% decrease** vs. prior year
- + Operating loss of **\$42.2 million, \$6.4 million** non-cash related items such as stock compensation and depreciation and amortization
- + Net Loss of **\$41.2 million**

Full Year 2023 Eos Income Statement

(\$ in millions)	2023	2022
Revenue	16.4	17.9
Cost of Goods Sold	89.8	153.3
Gross Loss	(73.4)	(135.3)
R&D expense	18.7	18.5
SG&A expense	53.7	60.6
Loss from write-down of PP&E	7.2	6.8
Grant (income) / expense	-	0.0
Operating Loss	(152.9)	(221.3)
Interest expense, net	56.2	18.8
Change in fair value of warrants and derivatives	15.0	(11.7)
Debt extinguishment / forgiveness	3.5	0.9
Other (income) / expense	1.8	0.5
Income tax expense	0.0	0.0
Net Loss	(229.5)	(229.8)



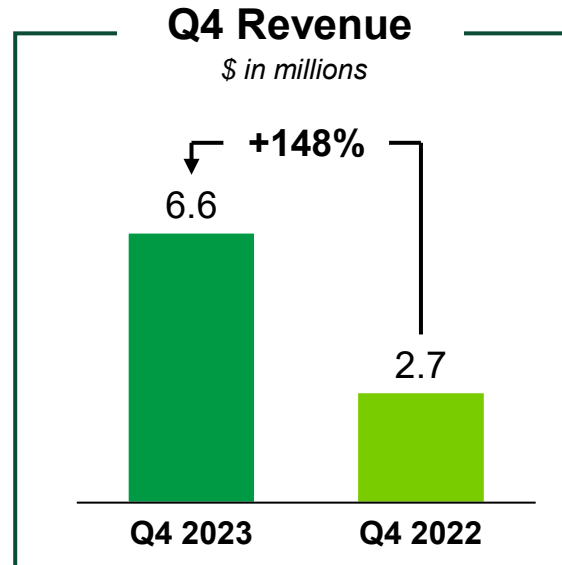
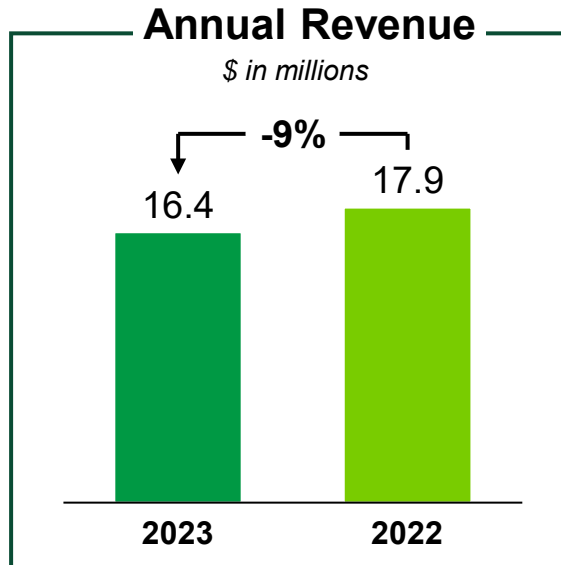
Business Highlights:

- + Revenue of **\$16.4 million** as company transitioned to next generation product, Eos Z3™ Cube
- + **41% improvement** in gross margins vs. prior year
- + Operating expenses of **\$79.5 million, a 7% decrease** vs. prior year driven by a reduction in outside services
- + Net Loss of **\$229.5 million, or \$145.3 million** excluding non-cash items, a **30%** year-over-year improvement

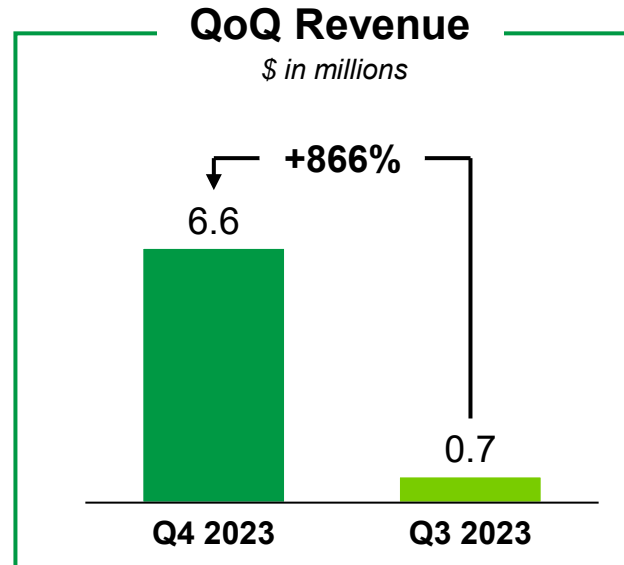
Aligning Production to Customer Commitments & Cost Roadmap

First full Eos Z3 manufacturing quarter produces second highest revenue quarter to date

Year-over-Year



Sequential Quarter



2024 Production

- ✓ Balance critical customer commitments with cost-out roadmap to optimize capital
- ✓ Initial production on SotA line 1 in Q2 2024
- ✓ Produce at volumes optimizing cost roadmap
- ✓ Ability to accelerate manufacturing volume in Q4 as cost roadmap aligns

- Transitioned manufacturing to Eos Z3™ Cube and decommissioned Gen 2.3 production line
- Shipped first Eos Z3 Cubes at end of September from semi-automated production line

- Produced at higher volumes off semi-automation manufacturing line
- Balance factory output with customer delivery requirements

Initiating 2024 Outlook

Revenue

\$60M - \$90M

Expects to increase manufacturing volumes throughout Q4 2024 as cost-road map aligns

Contribution Margin

Positive in Q4

Defined as sales price less direct labor, direct materials, and includes the benefit of the production tax credits

Upcoming Key Events

SotA Line 1 FAT / SAT

1H 2024

Annual Shareholder Meeting

May 1, 2024

Q1 Earnings Call

May 2024

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