Eos Energy Enterprises

Q3 2023 Financial Results

November 7, 2023

Eos. Positively ingenious.

Disclaimer

Forward-Looking Statements

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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.

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.

First Eos Z3™ Cube Shipped to Customer

Operating Highlights

Opportunity Pipeline [1]
$11.6 billion
representing ~43 GWh

YTD Booked Orders [2]
$92.7 million
representing less than ~1 GWh

Orders Backlog at 9/30 [1]
$538.8 million
representing ~2 GWh

LTD Discharge Energy [3]
1.6 GWh
~1.2 GWh in the field

Q3 Revenue [4]
$0.7 million
First Z3 shipments

Cash On Hand at 9/30 [1]
$58.0 million

(1) Numbers shown as of 9/30/2023
(2) For the nine months ended 9/30/2023
(3) Numbers shown as of 11/03/2023
(4) For the three months ended 9/30/2023
Note: GWh are on a rounded basis

Developing World Class Partnerships

Positioning the Company for long-term success

Building Government Support

Extensive Due Diligence

Department of Energy

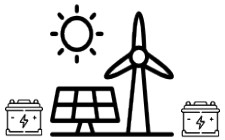
- ✓ Received $399M conditional loan guarantee commitment
- ✓ First Title XVII non-lithium-ion battery manufacturer with conditional loan guarantee commitment

California Energy Commission

- ✓ Working with CEC since 2014 to utilize Eos Zynth technology
- ✓ Awarded grants / awards in 2014, 2016, 2021, & 2022

Developing Robust Customer Base

3 Major US Utilities



Blue Chip Customers

Duke Energy

- ✓ Installed Gen 2.0 pilot project
- ✓ Shipped Z3 energy cubes for small commercial project

US Large Utility

- ✓ First pilot project (47 MWh) scheduled in 2024
- ✓ Customer DOE grant application to test Z3 use cases
- ✓ 4 GWh conditional frame agreement

Dominion Energy

- ✓ 16 MWh pilot project to test longer duration storage
- ✓ Opportunity to showcase Z3 batteries

Expanding Strategic Partnerships

Foundation to Scale

Acro Automation Systems

- ✓ Design, build, and commission state-of-the-art manufacturing lines
- ✓ Develop process capability & world class manufacturing

Resin

- ✓ Finalizing long-term supply agreements

Electrolyte

- ✓ North American supply chain from raw material to finished product

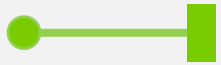
Graphitized Felt

- ✓ Implementing an integrated strategy from pan fiber to felt

Balancing Priorities while Meeting Key Customer Commitments

Profitability roadmap balances customer deliveries, workforce development, capacity expansion, and capital requirements

Original Expectations

	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Impact	Focus Area
Financing					+ Customer order timing + Working capital and capacity expansion	✓ Working DOE loan closing requirements ✓ Comprehensive financing plan
Z3 Launch					+ Customer project readiness + Product cost-out timing	✓ Reduce semi-automated production to deliver critical customer commitments ✓ Production plan alignment with cost-out program to reduce working capital ✓ Deliver state-of-the-art manufacturing line

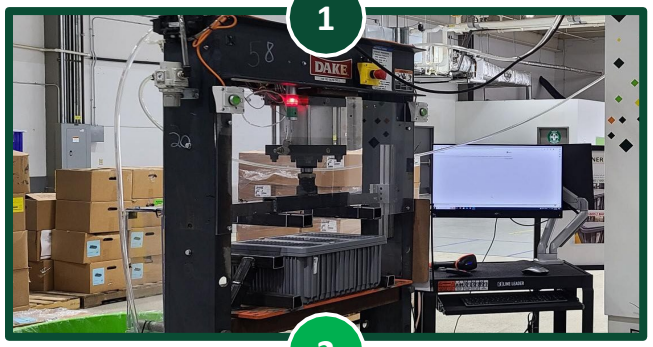
	Challenges	Improvements	Focus Area
Personnel	❑ Workforce Development	✓ Detailed training plan – safety, quality, and culture	✓ Upskill workforce to meet new manufacturing line requirements
Manufacturability	❑ Manual operations primary defect driver ❑ Equipment availability and reliability	✓ Experienced operators on critical operations ✓ Integrated maintenance planning & routines	✓ Implementing Lean Manufacturing Roadmap ✓ Adding resources for shift leadership & 24-hour maintenance
Supply Chain Development	❑ Supplier critical part qualification ❑ Developing multiple sources of supply	✓ Added supply quality and engineering resources ✓ Increased QC inspections	✓ Weekly critical part reviews with suppliers ✓ Further supplier development & multiple sources of supply

● Original 2023 expectation ▮ Date of occurrence

Operational Scale & Capacity

A Disciplined Approach to Capacity Expansion

Iterative learning process to deliver capital efficient state-of-the-art manufacturing

		Goal	Challenges	Learnings	Impact / Successes
Discrete Operations		✓ Move from prototype / lab scale to discrete manufacturing ✓ Optimize design ✓ Develop processes	+ Cell spacing + Bi-polar plate flatness	+ Single piece bi-polar production + Implement hot plate welding	***50% fewer parts in design*** ***25% savings on injection molded parts*** ***Mitigate automation risk***
Semi-Automation		✓ Low to medium scale production ✓ Optimize processes and quality ✓ Reduce cost	+ Lid weld integrity and durability + Manual operations top scrap driver	+ Identify bottlenecks & improve material flow + Controlled workforce ramp-up with experienced workers on critical operations	***Mitigate automation risk*** ***Decreased scrap below 5%*** ***5.5x cube production increase in October***
State-of-art- Manufacturing		✓ Production at scale ✓ Labor optimization ✓ Product cost-out	*Acro on-site to capture critical lessons learned & incorporate into line design*		***Faster implementation*** ***Lower redesign risks*** ***Potential capex savings***

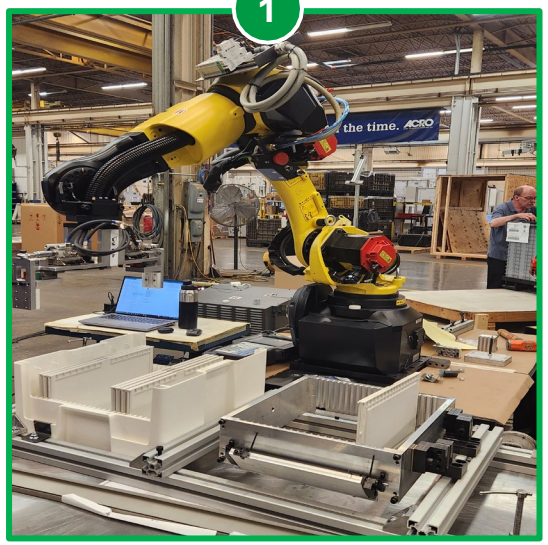
State-of-the-Art Manufacturing Line Update

Station fabrication, process development, and debugging over 30 discrete processes

Conceptual Design	Feasibility Study	Detailed Design	Factory Acceptance	Site Acceptance
✓ Integrator evaluations / selection	✓ Design for manufacturing	✓ Mechanical design	○ Station assembly and integration	○ Disassemble and ship to Eos factory
✓ Conceptual design review	✓ Sub-contractor selection	✓ Controls engineering	○ Mechanical & controls debugging	○ Final debugging and commissioning

Part Presentation

1



Bi-polar Insertion

2

Battery Unload

3

Beginning to build out full assembly layout inside Acro's facility in Wisconsin

Line 1 Annualized Capacity: ~1.25 GWh

Investment

~1.25 GWh, ~$30M
Includes:
Automated Battery Assembly
Injection Molding Tools

2+ GWh, Incremental ~$10 - $20M
Includes:
Terminal / Bi-polar Automation (Supports 2 lines)
Final Assembly Automation (Supports 2 lines)
Injection Molding Tools

On budget and expected commissioning in Q2 2024

Project AMAZE

U.S. Department of Energy Conditional Commitment

A $0.5B expansion program with 80% cost reimbursement on eligible costs

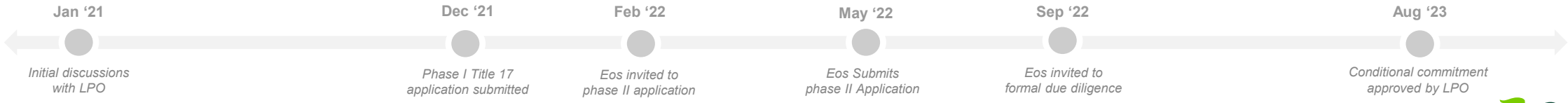
Conditional commitment term sheet vetted by the Department of Energy and other federal agencies

An extensive technical, market, financial, and legal due diligence process with DOE and external experts marks a significant Eos Z3 technology validation milestone

Conditional Commitment $398.6 Million [1]	**Funding** 80% recovery on eligible project costs
Production Capacity ~8 GWh annual capacity by end of 2026	**Interest Rate** Based on competitive U.S. Treasury Rates

Project AMAZE supports critical U.S. clean energy objectives

+ Expanding **American clean-tech manufacturing** capability **qualifying** for **45x production tax credit incentives**
+ Developing **domestic supply chain** which is expected to **enable customers' IRA 10% domestic content credit**
+ Creating **U.S. green collar careers**
+ Loan would reimburse **80% of eligible capex** and **opex costs**, as spent over program life
+ **Closing & funding** contingent on meeting certain **conditions precedent** expected to occur in Q2 2024
+ **Credit subsidy** covered by **LPO fund appropriation**
+ **~8 GWh** represents only **4%** of the U.S. cumulative storage capacity expected by end of 2026 [2]



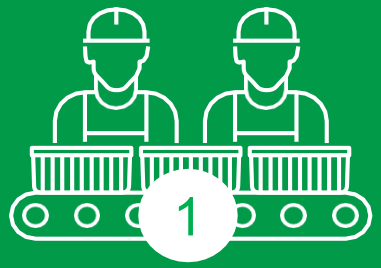
(1) Represents the maximum guaranteed loan amount
(2) Bloomberg NEF 1H 2023 Energy Storage Market Outlook

Project AMAZE Capacity Expansion

4 manufacturing lines expected to produce 8 GWh of energy storage annually

1H2024

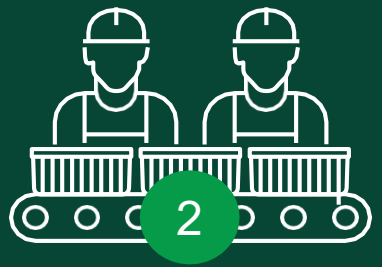
The first state-of-the-art line is expected to be in production in the first half of 2024



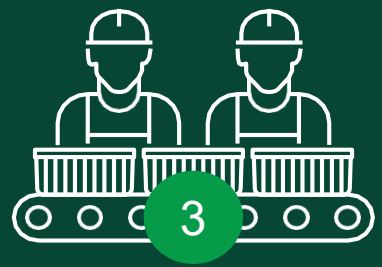
~1.25 GWh

2H2024-2026

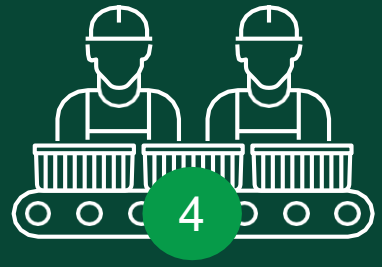
Additional capacity added as supported by customer demand



~ 2 GWh



~ 2 GWh



~ 2 GWh

How do you get to 8 GWh?

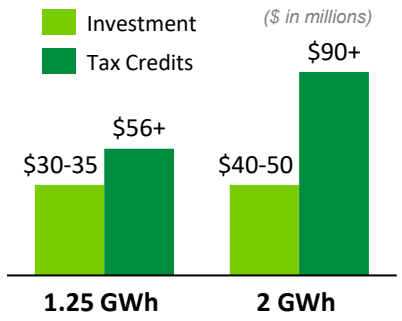
- ✓ **1.25 GWh** is less than the anticipated nameplate capacity of the line
- ✓ **Line 1 expected to achieve 2 GWh** in production capacity with future sub-assembly automation

What's the cost of a line?

- ✓ **~$40 - $50M investment** per line for 2+ GWh of production
- ✓ Consist of **direct costs** associated with **ACRO**, and **injection molding** capex

What is PTC ROI?

- ✓ Production Tax Credits (PTC) return **up to 125%** of capital investments within 1 year of full production
- ✓ IRA tax credits have ability to generate **significant source of cash**



Commercial Pipeline & Orders Backlog

Value Proposition Shifting to Longer-Duration Storage

Use cases beyond 5-hour energy storage favor Eos technology

Solar penetration plus electric heating is shifting net peak demand from summer afternoons to winter nights

>

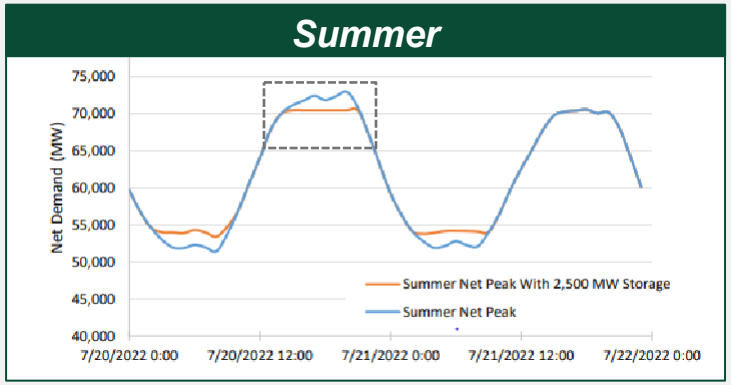
Solar penetration reducing summer net peaks, while heating increasing winter net peaking requiring longer durations of storage

As extreme weather conditions increase, peak demand is becoming more significant in winter than in the summer

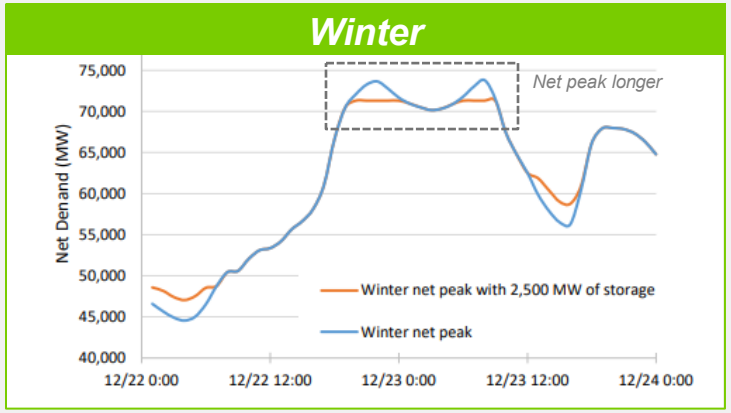
Summer: Currently, 4-hour discharge is well-suited to providing capacity during summer peaks

Winter: Demand peaks may become the primary drivers of resource adequacy needs requiring longer durations

ERCOT: Starting to shift to winter peaks as solar production is lower in the winter



+ System peak load is **generally driven by air conditioning** during hottest hours
+ Duration of summer peak increasing, but can ***usually be offset by increased solar installations***



+ Net peak in winter is ***typically 8+ hours*** and can actually be higher total demand than in summer for areas that depend on electric heating
+ Grid will require ***longer than 4-hour*** durations of storage to support winter peaks now

Eos Z3 system provides the flexibility to be configured for discharging energy from 3 to 12 hrs.

Denholm, Paul, Wesley Cole, and Nate Blair. 2023. *Moving Beyond 4-Hour Li-Ion Batteries: Challenges and Opportunities for Long(er)-Duration Energy Storage*. Golden, CO: National Renewable Energy Laboratory. NREL/TP-6A40-85878.

Independent Developer vs. Utility Backed Projects

Highlighting two indicative customer types

INDEPENDENT DEVELOPER

Quicker to embrace new technologies

Project Development

- ✓ Identify opportunity & select technology
- ✓ Perform feasibility studies
- ✓ Secure permitting

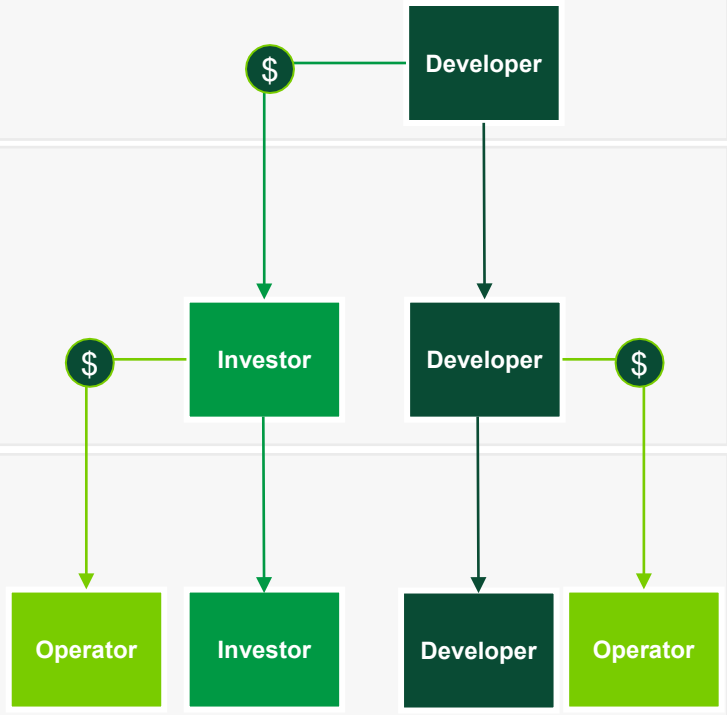
Project Execution

- ✓ Manage project build process
- ✓ Secure debt &/or equity financing

Project Operation

- ✓ Merchant vs. fully contracted
- ✓ Conduct ongoing operations and maintenance (O&M)

General Framework[1]



UTILITY BACKED PROJECTS

Takes more time to review before committing

1. **Detailed Diligence**
   - In – depth tech and financial review
   - Operational data for proof of concept
2. **Initial Pilot Project**
   - Select technology for non-commercial small installation
   - System operations under field conditions
3. **Small Commercial Project**
   - Prove out use cases
   - Utility commission awareness
4. **Full Scale Approval**
   - Eos on approved vendor list
   - Utility commission approved

Estimated Timing

- 9 - 12 Months
- 18 - 24 Months
- 24 – 36 Months
- 36 - 48 Months

(1) Represents general framework; specific customer framework may vary

Current Commercial Activity

Total current pipeline increased $1.9B vs. Q2 ’23

Lead Generation [1]

$13B

~44 GWh

$2.2B vs. Q2 ’23

- ✓ Feasibility study
- ✓ Develop project plan
- ✓ Monitor regulations

Current Pipeline - $11.6B [1]

Active proposals

$1.6B

~6 GWh

Technical proposal

$8.4B

~30 GWh

Non-binding quote

$1.9B vs. Q2 ’23

- ✓ Clear project requirements
- ✓ Gather customer specs
- ✓ Analyze use cases
- ✓ Commercial & technical proposal

LOI / Firm commitments

$1.5B /

~7 GWh / (~8 GWh) [2]

vs Q2 ’23; project moved to backlog

- ✓ Finalize commercial terms
- ✓ Contract negotiation
- ✓ Letter of intent
- ✓ Open closing conditions

Customer next steps

- \+ Acquire land rights
- \+ Negotiate financing
- \+ Establish interconnections

Backlog [1]

$538.8M

~2 GWh

- ✓ Binding agreement
- ✓ Open closing conditions
- ✓ Purchase orders and/or MSA with down payment

Eos next steps

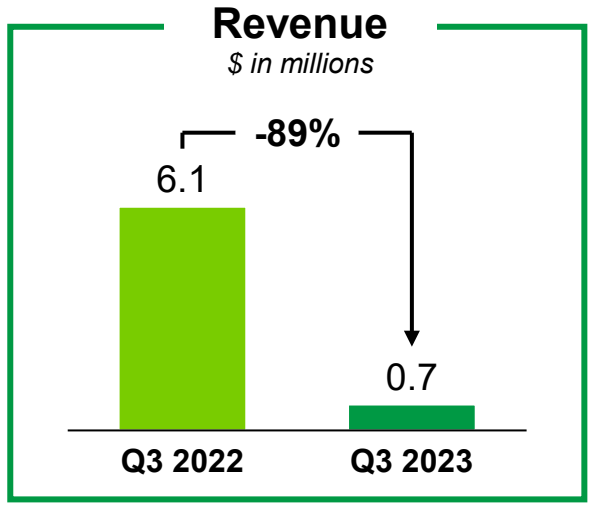
- \+ Manufacture batteries
- \+ Ship and install system
- \+ Monitor performance

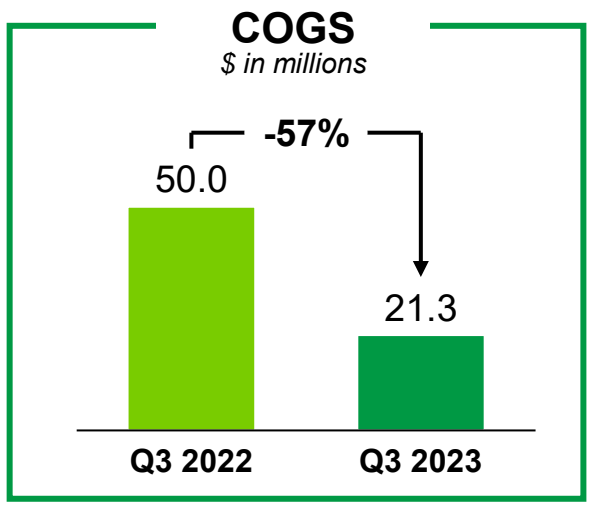
(1) Numbers shown as of 9/30/2023
(2) Numbers shown as of 10/4/2023 with new LOI signed
Note: Numbers are rounded

Financial Results

Third Quarter 2023 Eos Income Statement

($ in millions)	Q3 2023	Q3 2022
Revenue	**0.7**	**6.1**
Cost of Goods Sold	21.3	50.0
Gross Profit	**(20.6)**	**(43.9)**
R&D expense	3.2	4.5
SG&A expense	13.1	14.7
Loss from write-off of PP&E	1.0	0.5
Grant expense, net	-	-
Operating Loss	**(37.8)**	**(63.6)**
Interest expense, net	9.4	5.7
Change in fair value of derivatives	(61.8)	0.4
Loss on debt extinguishment	-	0.9
Other (income) / expense	(0.4)	-
Income tax expense	0.0	0.1
Net Income (Loss)	**14.9**	**(70.7)**





Business Highlights:

- Revenue of **$0.7M**, as the company began delivering initial shipments of its next generation product, Eos Z3™
- Costs of Goods Sold of **$21.3M** driven by lower Z3 product costs, remaining Gen 2.3 spare battery production and **$11.2M non-cash items** for inventory adjustments, project commissioning timing and depreciation
- Operating expenses of **$17.3M, a 12% decrease** vs. prior year driven by insourcing along with reduced outside services spend
- Interest expense **increased $3.7 million** vs. prior year driven by new debt
- Net Income of **$14.9 million,** primarily resulting from mark to market derivative adjustments

2023 Outlook Update

Clarity around capital affected overall 2023 timing & outlook

	Update	
$600–800M in booked orders	*Below target*	▪ **Pipeline health** and **size** continuing to improve ▪ Selected by **Dominion Energy** for pilot project ▪ **~54%** of active pipeline **created in last 12 months**
$30–50M in revenue	*Below target*	▪ **Shipped first** commercial Z3 cubes at the end of Q3 ▪ Focus on fulfilling **critical customer commitments** while **maximizing product cost curve benefits** ▪ Partially **delivering ERCOT** project in Q4
15% product cost reduction from Eos Z3 launch	*Exceed target*	▪ Current Z3 bill of materials **exceeds target** for **early 2024 cut-in** ▪ **Simplified electrolyte formula** reduces chemical costs and mixing complexity ▪ Developed **lower cost enclosure design** and **contractually secured savings**

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Upcoming Key Events

Strategic Outlook Call

December 12, 2023

Q4 Earnings Call

Late February 2024

Investor Day

Tentatively Q2 2024

eos