

Eos Energy Enterprises

Q3 2021 Financial Results

November 10, 2021



Eos. Positively ingenious.



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Operating Highlights

Discharge energy

329 MWh

with 2.2+ million operating cycles

Booked orders Year-to-date

\$137.4 million

representing 561 MWh

Orders Backlog

\$151.8 million

representing 613 MWh

Opportunity Pipeline

\$3.7 billion

representing 22 GWh

Shipments Year-to-date

\$3.4 million

to Greece, Nigeria, India, USA

Cash on hand

\$144 million

including \$6M equipment financing



Navigating a challenging environment



Headwinds

Labor shortages

Slower manufacturing workforce ramp – 2 vs 3 shifts.

Material shortages & inflation

Container cost/delivery, semi-conductor availability & resin inflation.

Constricted project logistics

Low predictability from sales to start-up.



Tailwinds

Energy storage demand strong and growing

BNEF forecasting 23% CAGR through 2025.*

Market needs shifting to flexible duration

Multiple technologies required to meet dynamic use cases.

Improved operational capability

10pt higher yield with consistent battery performance.

Today's agenda

Progress on 2021 business priorities

\$300 million in booked orders

- + Booked largest order in company history in October
- + 3Q orders with blue chip customers (Pine Gate, Duke, Ameresco)

\$5 million in revenue

- + On track to deliver \$5MM revenue in 2021
- + 2H projected revenue is 6x 1H'21 recognized revenue

800 MWh capacity

- + Scaling manufacturing capacity to 800MWh by YE'22
- + \$35mm planned investment, including \$25mm in equipment financing

Gen 3.0 (Z3) product launch

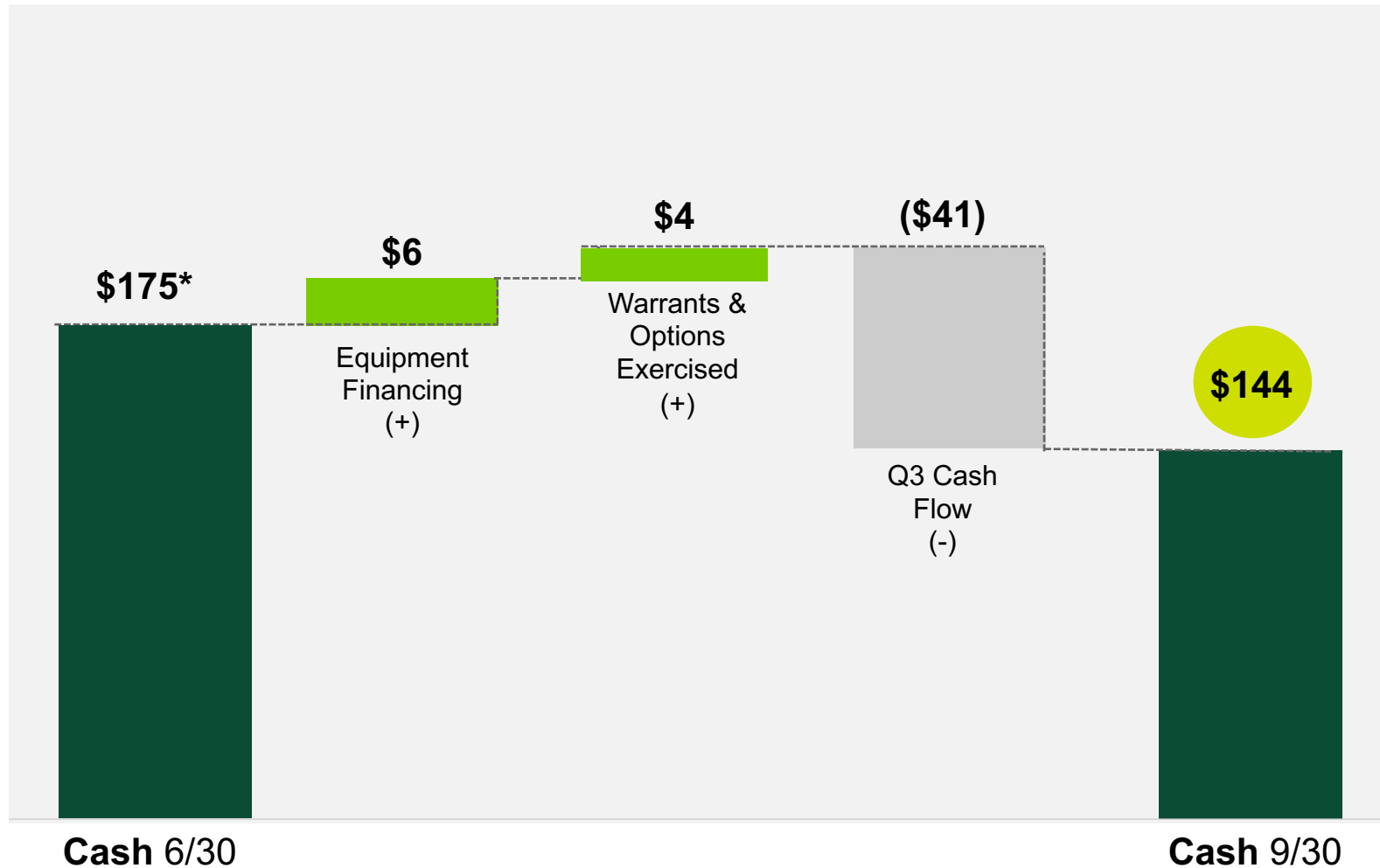
- + Working prototype complete, manufacturability & design in progress
 - + First commercial shipments planned in 2H 2022
-

Third quarter 2021 Eos income statement

\$ in Thousands	Q3 2021	Q2 2021
Revenue	718	612
Cost of sales	12,904	12,364
Gross Profit	(12,186)	(11,752)
R&D expense	5,118	3,647
G&A expense	8,825	11,325
Loss on pre-existing agreement	-	22,516
Grant (income) / expense	157	(52)
Operating Loss	(26,286)	(49,188)
Interest Expense (Income) Net	3,743	154
Remeasurement of equity method investment	-	7,480
Other Expense (Income)	(11,905)	(2,779)
Net Loss	(18,124)	(54,043)

- + In Q3 2021, we recognized **revenue** of \$0.7 million from container shipments related to the Motor Oil, River Valley and ReNew projects.
- + **Cost of Sales** includes \$4.1 million in base costs, \$3.6 million in costs related to current manufacturing yield during manufacturing ramp up, \$2.8 million of expense due to fair market value adjustments on future sales, and \$1.2 million in logistics costs.
- + **Research and Development** expenses were \$1.5 million higher than Q2 driven by ongoing investment in materials and people to support Z3 development.
- + **General and administrative** costs were \$2.5 million lower driven by staff related accruals and outside service spend.
- + **Interest expense** increase due to expenses related to Koch investment.
- + **Other expenses** include \$9.9 million for the change in fair value of derivatives and \$0.7 million gain on fair value of our private warrants.

Current cash balance



Q3 Cash Flow

- \$(20) Cost of Sales⁻¹⁾
- \$(3) R&D + UL testing
- \$(6) General administrative expenses
- \$(4) Capital expenditure
- \$(1) Customer Financing
- \$(1) Commercial operations
- \$(6) One-time items

⁻¹⁾ Includes Advanced payments ~\$8mm

7 (\$ in millions)

* PF for Koch investment as shown in Q2 earnings; actual 6/30 balance was \$75 million



Booked orders and revenue



Current commercial activity

150+ potential customer projects engaged

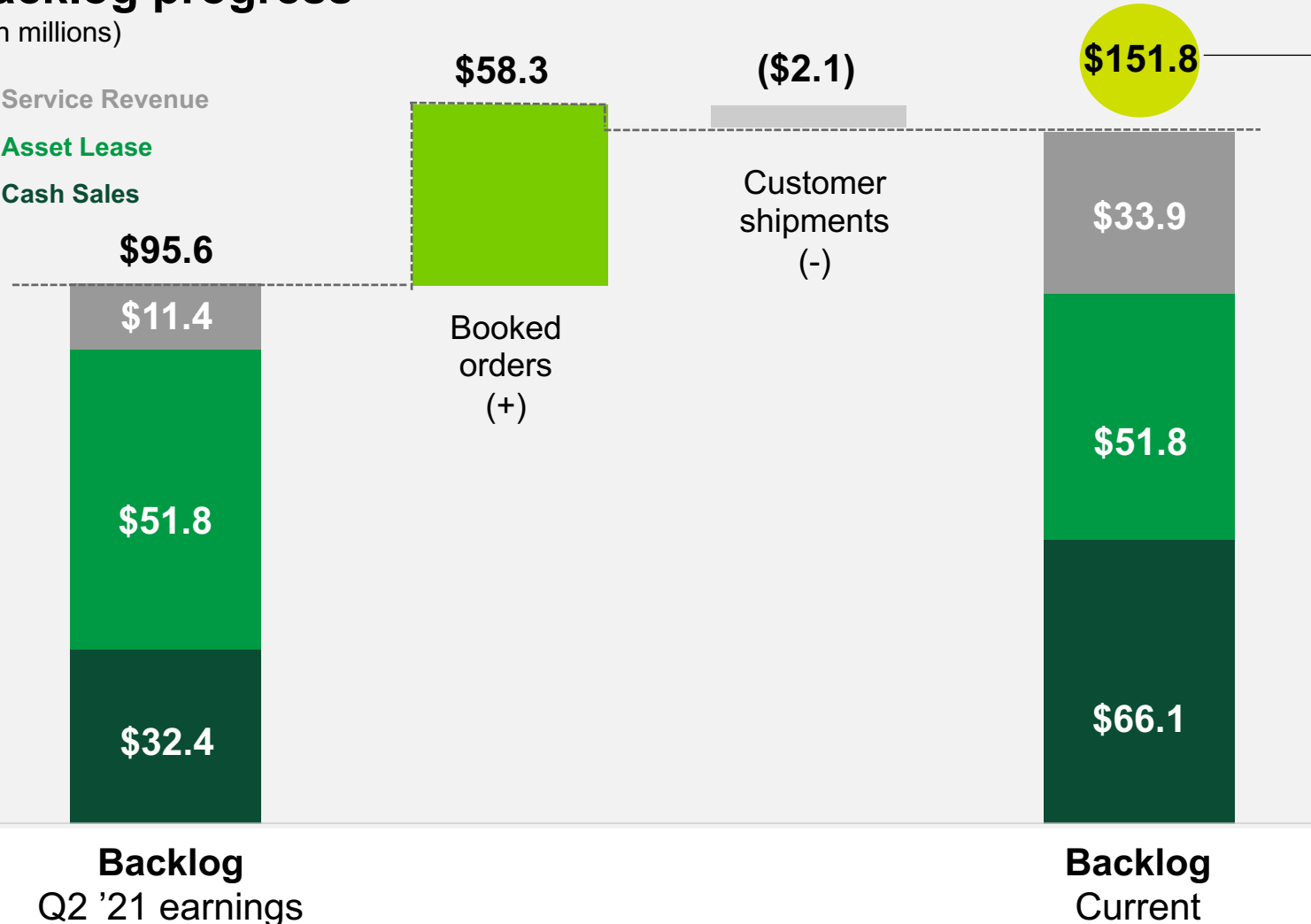
Lead generation	Current pipeline		LOI / Firm commitments	Booked orders year-to-date
	Active proposals			
<p>\$2.9B 18GWh</p> <p>↑ \$59MM vs. Q2'21 earnings</p>	<p>\$1.0B 6GWh</p> <p>Technical proposal</p> <p>↓ \$136MM vs. Q2'21 earnings</p>	<p>\$2.2B 13GWh</p> <p>Non-binding quote</p>	<p>\$0.5B 3GWh</p> <p>↓ \$53MM vs Q2'21 earnings</p>	<p>\$137.4MM 561MWh</p> <p>↑ \$58MM vs. Q2'21 earnings</p>
<ul style="list-style-type: none"> ✓ Feasibility study ✓ Develop project plan ✓ Monitor regulations 	<ul style="list-style-type: none"> ✓ Clear project requirements ✓ Gather customer specs ✓ Analyze use cases ✓ Commercial & technical proposal 	<ul style="list-style-type: none"> ✓ Finalize commercial terms ✓ Contract negotiation ✓ Letter of intent ✓ Open closing conditions <p>Customer next steps</p> <ul style="list-style-type: none"> + Acquire land rights + Negotiate financing + Establish interconnections 	<ul style="list-style-type: none"> ✓ Binding agreement ✓ Open closing conditions ✓ Purchase orders w/down payment <p>Eos next steps</p> <ul style="list-style-type: none"> + Manufacture batteries + Ship and install system + Monitor performance 	

Current orders backlog

Backlog progress

(\$ in millions)

- Service Revenue
- Asset Lease
- Cash Sales



▶ **613MWh of backlog**
30 projects and 16 customers

▶ **Backlog deliveries**
\$118 in equipment deliveries and \$34 in long-term service revenue

▶ **56% backlog in cash sales**
With payments matching progress on manufacturing and delivery

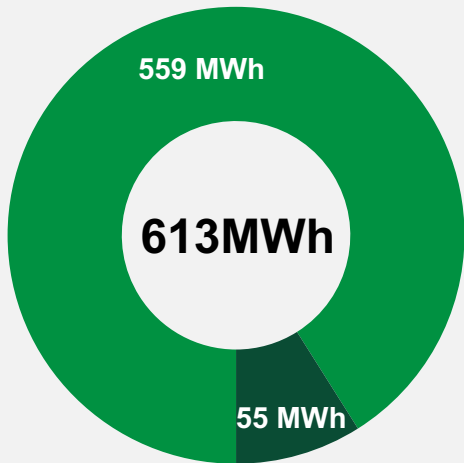
▶ **44% Asset Leasing sales**
Establishing value proposition to deliver turn-key customer solutions

Diversified customers and use cases for our technology

\$151.8mm in current backlog, 613 MWh, 16 Customers

FTM vs BTM

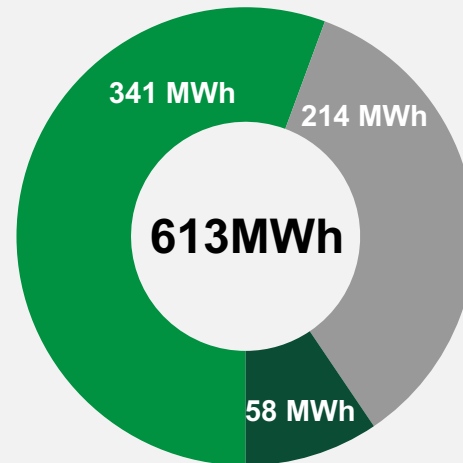
Front of the meter constitutes 91% of current customer commitments addressing the larger market opportunity and order size.



■ FTM ■ BTM

Use case

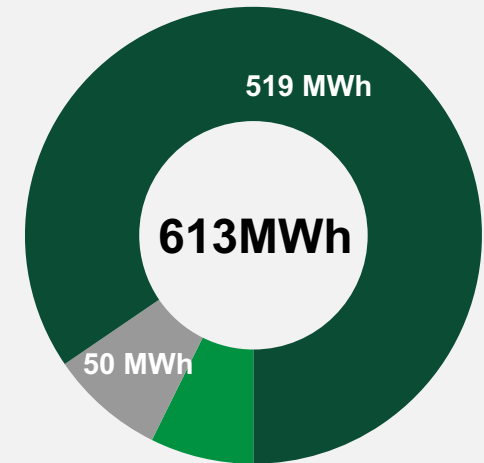
Addressable longer duration opportunities growing in market, as 4+ hour duration becomes the new normal for upcoming storage projects



■ Solar Integration
■ T&D Deferral/Locational Capacity
■ Microgrid/Other

Project size

Current portfolio mix constitutes diverse range of projects sizes; Over the long-run, we expect majority of the projects to be 10+ MWh



■ <10 MWh
■ 10-20 MWh
■ 20+ MWh

Manufacturing capacity and product delivery



Improved manufacturing yields

10%
Improved
Yield

250 MWh
Production
Capacity

\$3.4MM
YTD
Shipments



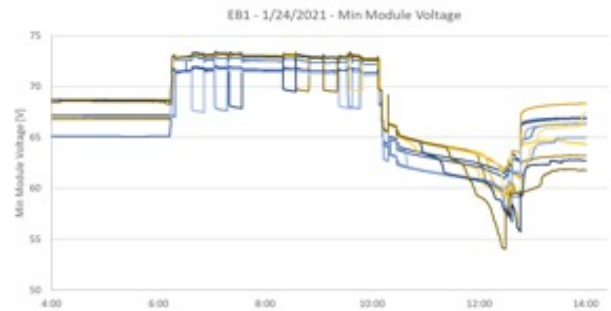
	1H Trend	Current Trend	Continuous Improvements
Electrode Welding & Assembly	95%	96%	<ul style="list-style-type: none"> Equipment upgrade Strategic partnership
Infrared Frame Welding	80+%	90% ✓	<ul style="list-style-type: none"> Increased workforce & training Production time and efficiency
Battery Assembly, Fill & Test	95%	99%	<ul style="list-style-type: none"> Electrolyte fill automation Debottlenecking process
Container Assembly & Test	95%	99% ✓	<ul style="list-style-type: none"> Lean layout Improved test routines

Improved yield delivering reliable system performance

12 months ago

Solved:

- Design & manufacturability
- System performance and string balance



6 months ago

Solved:

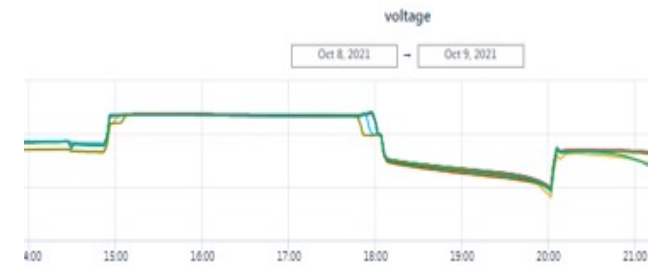
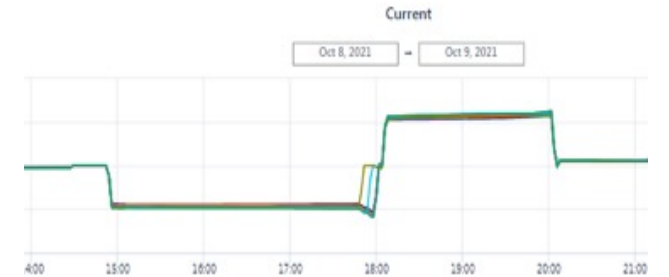
- Manufacturing variability
- Material variability



Today

Solved:

- Balanced charge & discharge
- Operating flexibility & product compliance



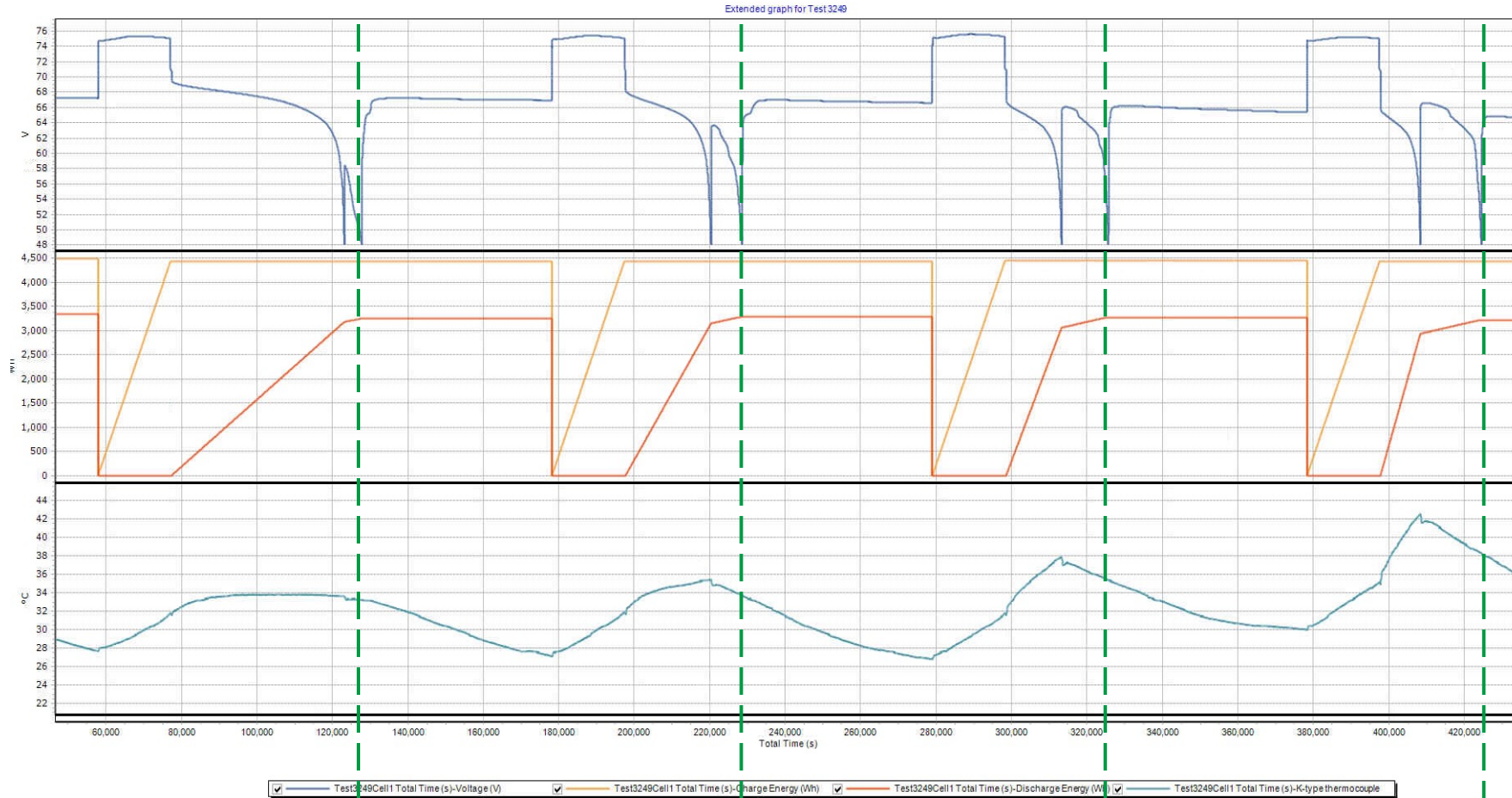
Same battery running different discharge cycles

12.7 h discharge (250 W)
(36 KW per container)

6.3 h discharge (500 W)
(72 KW per container)

4.1 h discharge (750 W)
(108 KW per container)

2.9 h discharge (1000 W)
(144 KW per container)



**Flexible Energy Storage:
3-12 hour operations
on same system**

No degradation or product life impact

Higher round trip efficiency possible

Software delivering incremental performance

Expanding capacity to meet current order backlog

Equipment investments, qualified personnel, strategic partnerships

2020

Built domestic manufacturing capability. Factory up and running in 7 months.

2021

Invested in modernizing equipment, processes and stabilized production.

2022⁽¹⁾

Expand manufacturing capacity and long-term value capture.



Invested capital expenditure <small>(per year)</small>	\$8mm	\$16mm	\$35mm
Scalable manufacturing facility	60,000 sq.ft.	60,000 sq.ft.	110,000 sq.ft.
Skilled labor	60+	120+	150+
Manufacturing capacity	65 MWh	260 MWh	800+ MWh

⁽¹⁾ Current estimated

Confirming low CapEx manufacturing

Highly scalable model

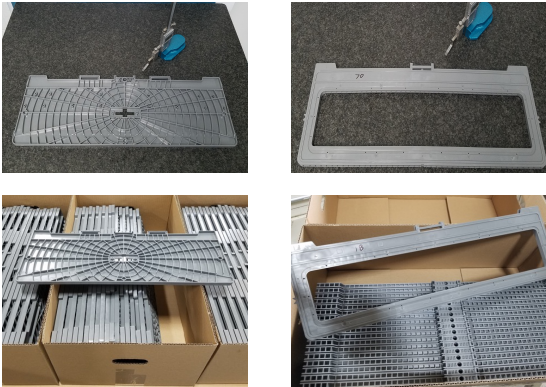
9-12 month deployment

~\$50mm investment =
~1 GWh capacity

Z3 product development update

Finalized strategic relationships, production material on order, performance testing in 1Q'22

First Piece Qualification



Improved Manufacturing Capabilities



Value Proposition

1/3 the size of current battery

Less material used to manufacture

Reduced total system and operating costs

Same voltage profile at lower temperature simplifies system configuration

2022 Priorities

System optimization

Higher flexibility, better performance, improved footprint density

Software development

Enhanced battery management system to increase system performance

Qualified Partners:



Qualified Partners:



Execute on 2021 business priorities

4Q'21 goals

\$300 million in booked orders

- + Continue to grow pipeline with focus on utility-scale projects
- + Manage customer project timing uncertainty
- + Revising year-end guidance to \$175-300 million in booked orders

\$5 million in revenue

- + Manage supply chain risks to deliver customer commitments
- + Partner with customers on project readiness & shipments in '22 / '23
- + Deliver \$5MM revenue in 2021

800 MWh capacity

- + Scale manufacturing capacity to 800MWh by YE'22
- + Diversify supply chain with suppliers and insourcing/outourcing
- + Finalize \$35mm investment plan

Gen 3.0 (Z3) product launch

- + Build & validate production prototypes in 1Q '22
- + Deliver first commercial project in 2H '22
- + Develop multiple configurations to improve performance