Eos Energy Successfully Launches Commercial Production on First State-of-the-Art Manufacturing Line

July 1, 2024

Company achieves critical Project AMAZE manufacturing milestone to meet future demand for long duration battery storage

TURTLE CREEK, Pa., July 01, 2024 (GLOBE NEWSWIRE) -- Eos Energy Enterprises, Inc. (NASDAQ: EOSE) ("Eos" or the "Company"), a leading provider of safe, scalable, efficient, and sustainable zinc-based long duration energy storage systems, today announced it successfully launched commercial production on its first state-of-the-art (SotA) manufacturing line after being installed and commissioned in Turtle Creek, Pennsylvania, propelling the Company's ability to produce Eos Z3 ™ batteries at scale.

Launching commercial production marks a significant milestone in the Company's operational capabilities and ability to serve the growing long duration energy storage demand. The process of bringing the line into production involved thorough evaluation and validation of critical mechanical processes, software integration and overall line performance.

"The Eos team continues to show an ability to achieve operational milestones. Working with ACRO Automation, we installed and commissioned the line in just over five weeks from achieving Factory Acceptance Testing," said Joe Mastrangelo, Eos Chief Executive Officer. "The first fully commissioned line along with the recent Cerberus investment are clear signals to the market that we have the resources and capabilities to produce Z3 storage systems in the United States for large scale customer projects."

The Company continues to see future projects becoming larger in size and scale as energy demand increases. With the newly installed SotA manufacturing line, Eos will begin ramping manufacturing capacity over the next six months to 1.25 GWh of annualized manufacturing capacity, with expansion plans for 2 GWh on line 1 with further investment. Successful line 1 implementation is a critical cost-out component for the Company's path to profitability. When producing at scale, Eos forecasts Z3 production costs to drop by nearly half with improved overhead costs and variable labor utilization.

"The process we followed from initial discrete manufacturing to semi-automation production provided a disciplined framework to quickly develop our first SotA line, while optimizing capital costs. Executing on this project required launching a new product design, automating it, and incorporating industry 4.0 integration to achieve the necessary performance and yield," said Chris Dellinger, Eos Sr. Director of Advanced Manufacturing. "This milestone represents a major step forward in our manufacturing capabilities, allowing us to deliver heightened precision and efficiency in our production processes and we look forward to further optimize these capabilities and continue to execute Project AMAZE."

The new line was designed and developed in partnership with ACRO Automation Systems. Over the last several months, Eos and ACRO teams worked in partnership to ensure successful FAT in Milwaukee and now bring the line into full commercial production at Eos' facility in Turtle Creek. As the demand for safe, long duration energy storage continues to increase, the Company plans to build three additional lines to reach 8 GWh of annualized capacity.

"Continuing this collaborative journey symbolizes a significant milestone for both ACRO and Eos, uniting our strengths to enhance and expand our capabilities within the rapidly evolving energy storage industry," said Michael Loomis, President and General Manager at ACRO Automation Systems. "ACRO, with its proven track record of delivering leading-edge automation solutions across various sectors, is poised to reach new heights through this exciting new alliance with Eos. Together, we are not just shaping the future of energy storage, we are defining it."

This announcement follows the recent news of an up to $315.5 million strategic investment from Cerberus, a global leader in alternative investing with a dedicated platform focused on supply chain integrity and national security. This investment and manufacturing milestone position Eos to scale and become a leading provider of long duration energy storage while executing on its path to profitability.

About Eos Energy Enterprises
Eos Energy Enterprises, Inc. is accelerating the shift to clean energy with positively ingenious solutions that transform how the world stores power. Our breakthrough Znyth™ aqueous zinc battery was designed to overcome the limitations of conventional lithium-ion technology. It is safe, scalable, efficient, sustainable, manufactured in the U.S., and the core of our innovative systems that today provides utility, industrial, and commercial customers with a proven, reliable energy storage alternative for 3 to 12-hour applications. Eos was founded in 2008 and is headquartered in Edison, New Jersey. For more information about Eos (NASDAQ: EOSE), visit eose.com.

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Important Information and Where You Can Find It

This press release may be deemed to be solicitation material in respect of a vote of stockholder to approve the issuance of more than 19.99% of the outstanding common stock under the warrants and the convertibility of the preferred stock issued or issuable as part of the transaction. In connection with the requisite stockholder approval, Eos will file with the SEC a preliminary proxy statement and a definitive proxy statement, which will be sent to the stockholders of Eos, seeking certain approvals related to the exercisability of the warrants and the convertibility of the preferred stock issued or issuable pursuant to the transaction.

INVESTORS AND SECURITY HOLDERS OF EOS AND THEIR RESPECTIVE AFFILIATES ARE URGED TO READ, WHEN AVAILABLE, THE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE

TRANSACTION, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT EOS AND THE TRANSACTION. Investors and security holders will be able to obtain a free copy of the proxy statement, as well as other relevant documents filed with the SEC containing information about Eos, without charge, at the SEC's website (http://www.sec.gov). Copies of documents filed with the SEC by Eos can also be obtained, without charge, by directing a request to Investor Relations, Eos Energy Enterprises, Inc. at 862-207-7955 or email ir@eose.com.

Participants in the Solicitation of Proxies in Connection with Transaction

Eos and Cerberus and certain of their respective directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the requisite stockholder approvals under the rules of the SEC. Information regarding Eos' directors and executive officers is available in its definitive proxy statement for its 2024 annual stockholders meeting, which was filed with the SEC on April 2, 2024 and certain current reports on Form 8-K filed by Eos. Other information regarding the participants in the solicitation of proxies with respect to the proposed transaction and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement and other relevant materials to be filed with the SEC. Free copies of these documents, when available, may be obtained as described in the preceding paragraph.

Not an Offer of Securities

The information in this communication is for informational purposes only and shall not constitute, or form a part of, an offer to sell or the solicitation of an offer to sell or the solicitation of an offer to buy any securities. The securities that are the subject of the private placement have not been registered under the Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements.

Forward Looking Statements

Except for the historical information contained herein, the matters set forth in this press release are forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include, but are not limited to, statements regarding our expected revenue, contribution margins, orders backlog and opportunity pipeline for the fiscal year ended December 31, 2024, our path to profitability and strategic outlook, the tax credits available to our customers or to Eos pursuant to the Inflation Reduction Act of 2022, statements regarding our ability to secure final approval of a loan from the Department of Energy LPO, or our anticipated use of proceeds from any loan facility provided by the US Department of Energy, statements that refer to outlook, projections, forecasts or other characterizations of future events or circumstances, including any underlying assumptions. The words "anticipate," "believe," "continue," "could," "estimate," "expect," "intends," "may," "might," "plan," "possible," "potential," "predict," "project," "should," "would" and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. Forward-looking statements are based on our management's beliefs, as well as assumptions made by, and information currently available to, them. Because such statements are based on expectations as to future financial and operating results and are not statements of fact, actual results may differ materially from those projected.

Factors which may cause actual results to differ materially from current expectations include, but are not limited to: changes adversely affecting the business in which we are engaged; our ability to forecast trends accurately; our ability to generate cash, service indebtedness and incur additional indebtedness; our ability to achieve the operational milestones on the delayed draw term loan; our ability to raise financing in the future, including the discretionary revolving facility from Cerberus; our customers' ability to secure project financing; the amount of final tax credits available to our customers or to Eos pursuant to the Inflation Reduction Act, uncertainties around our ability to meet the applicable conditions precedent and secure final approval of a loan, in a timely manner or at all from the Department of Energy, Loan Programs Office, or the timing of funding and the final size of any loan that is approved; the possibility of a government shutdown while we work to meet the applicable conditions precedent and finalize loan documents with the U.S. Department of Energy Loan Programs Office or while we await notice of a decision regarding the issuance of a loan from the Department Energy Loan Programs Office; our ability to continue to develop efficient manufacturing processes to scale and to forecast related costs and efficiencies accurately; fluctuations in our revenue and operating results; competition from existing or new competitors; our ability to convert firm order backlog and pipeline to revenue; risks associated with security breaches in our information technology systems; risks related to legal proceedings or claims; risks associated with evolving energy policies in the United States and other countries and the potential costs of regulatory compliance; risks associated with changes to the U.S. trade environment; risks resulting from the impact of global pandemics, including the novel coronavirus, Covid-19; our ability to maintain the listing of our shares of common stock on NASDAQ; our ability to grow our business and manage growth profitably, maintain relationships with customers and suppliers and retain our management and key employees; risks related to the adverse changes in general economic conditions, including inflationary pressures and increased interest rates; risk from supply chain disruptions and other impacts of geopolitical conflict; changes in applicable laws or regulations; the possibility that Eos may be adversely affected by other economic, business, and/or competitive factors; other factors beyond our control; risks related to adverse changes in general economic conditions; and other risks and uncertainties.

The forward-looking statements contained in this press release are also subject to additional risks, uncertainties, and factors, including those more fully described in the Company's most recent filings with the Securities and Exchange Commission, including the Company's most recent Annual Report on Form 10-K and subsequent reports on Forms 10-Q and 8-K. Further information on potential risks that could affect actual results will be included in the subsequent periodic and current reports and other filings that the Company makes with the Securities and Exchange Commission from time to time. Moreover, the Company operates in a very competitive and rapidly changing environment, and new risks and uncertainties may emerge that could have an impact on the forward-looking statements contained in this press release.

Forward-looking statements speak only as of the date they are made. Readers are cautioned not to put undue reliance on forward-looking statements, and, except as required by law, the Company assumes no obligation and does not intend to update or revise these forward-looking statements, whether as a result of new information, future events, or otherwise.