

# Eos Energy Enterprises

## Bank of America Conference

May, 2021



Eos. Positively ingenious.



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# Progress on 2021 business priorities

Update on key deliverables

**\$300 million** in booked orders

- + Strong pipeline @ \$3.9B, \$33M orders
- + Converted 6 LOI projects into \$13M booked orders

**\$50 million** in revenue

- + \$0.9M shipped to date
- + Orders backlog covering 50% '21 revenue target

**2Q 2021** full UL certification

- + Achieved UL9540A, report available on-line
- + Finalizing UL1973, targeting June close

**800MWh** capacity

- + Stabilizing operations, reducing waste + product cost out
- + Executing improvements to deliver volume ramp

**Gen 3.0 (Z3)** product launch

- + 1<sup>st</sup> prototype on test, strong results; On plan & on budget.
- + 40%+ more power with 25%+ lower LCOS

Investing in **people and culture**

- + One team, Hi-Power acquisition closed
- + 71% new hires in operations, 2x manufacturing

# The new rules of the energy landscape

Renewables will comprise 90% of the increase in global capacity



**Demand**



**Decarbonization**

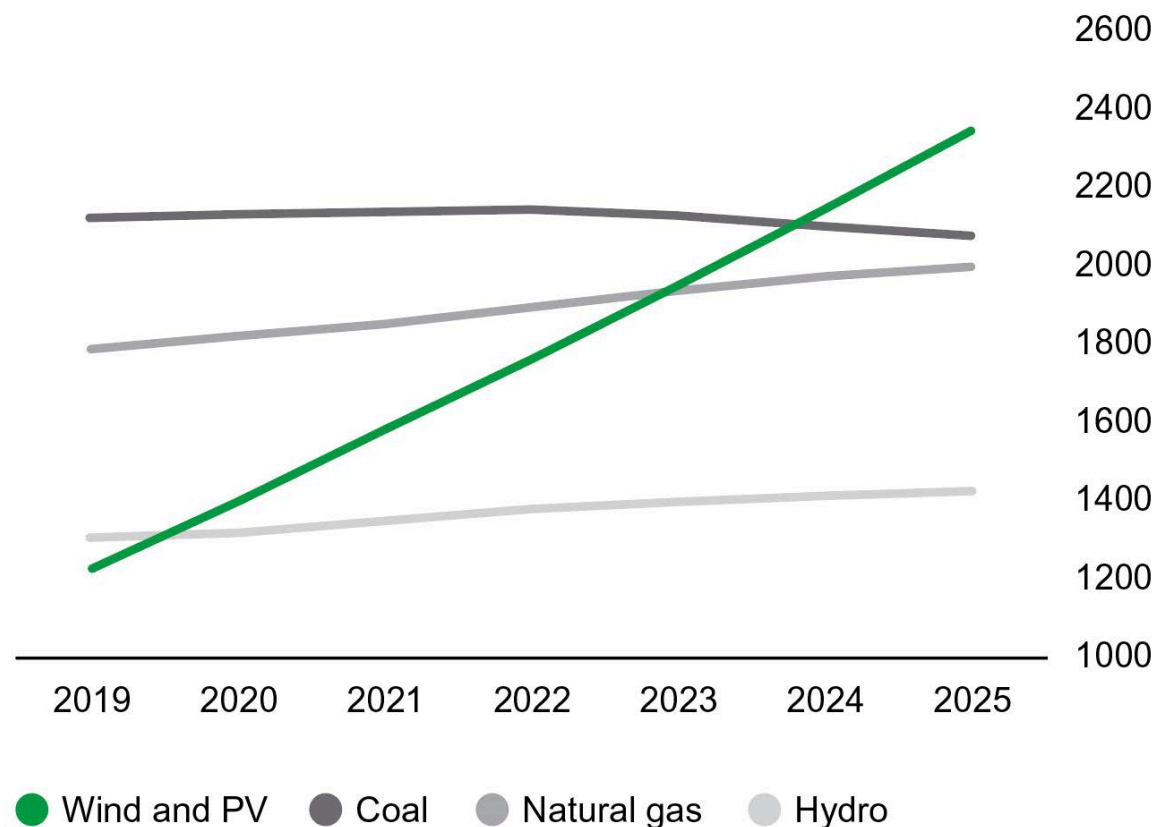


**Decentralization**



**Democratization**

**Total installed capacity by fuel**  
Gigawatts / Year





# Variable demand. Variable supply.

Increasing reliance on renewables will require flexible and resilient energy systems

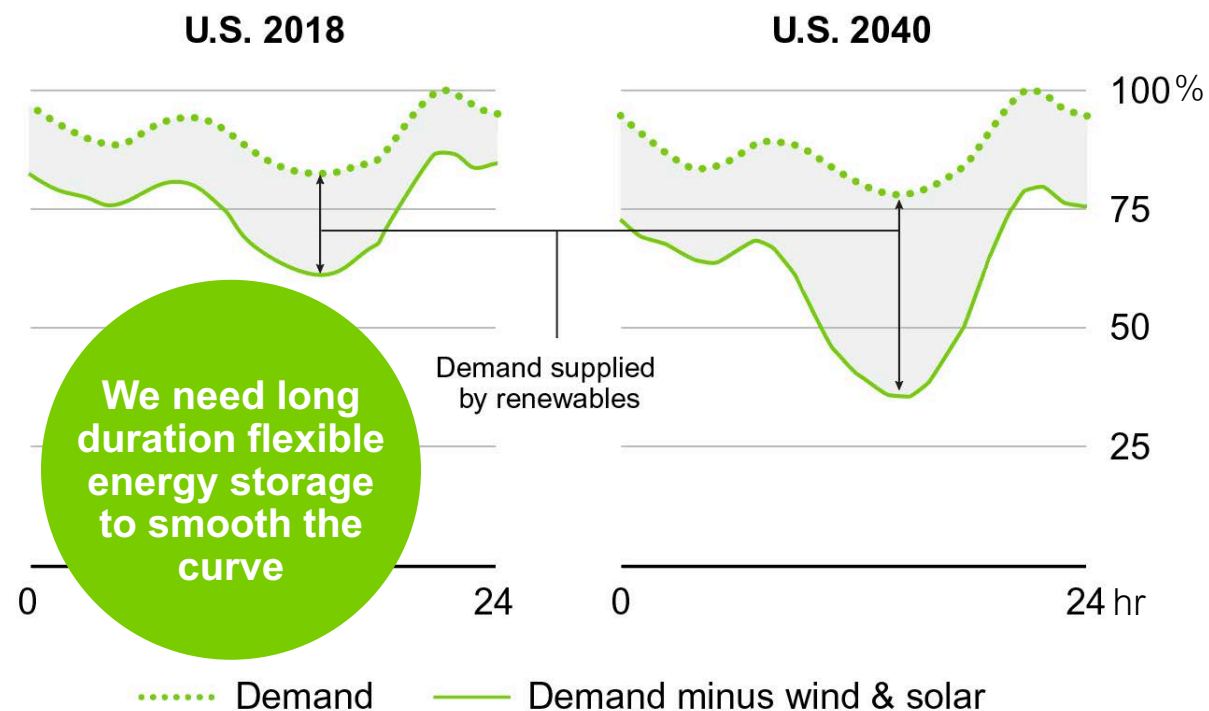


**Surplus:** Overproduction at low use times



**Scarcity:** Underproduction in emergency conditions

## Percentage of hourly and residual demand on a sample day



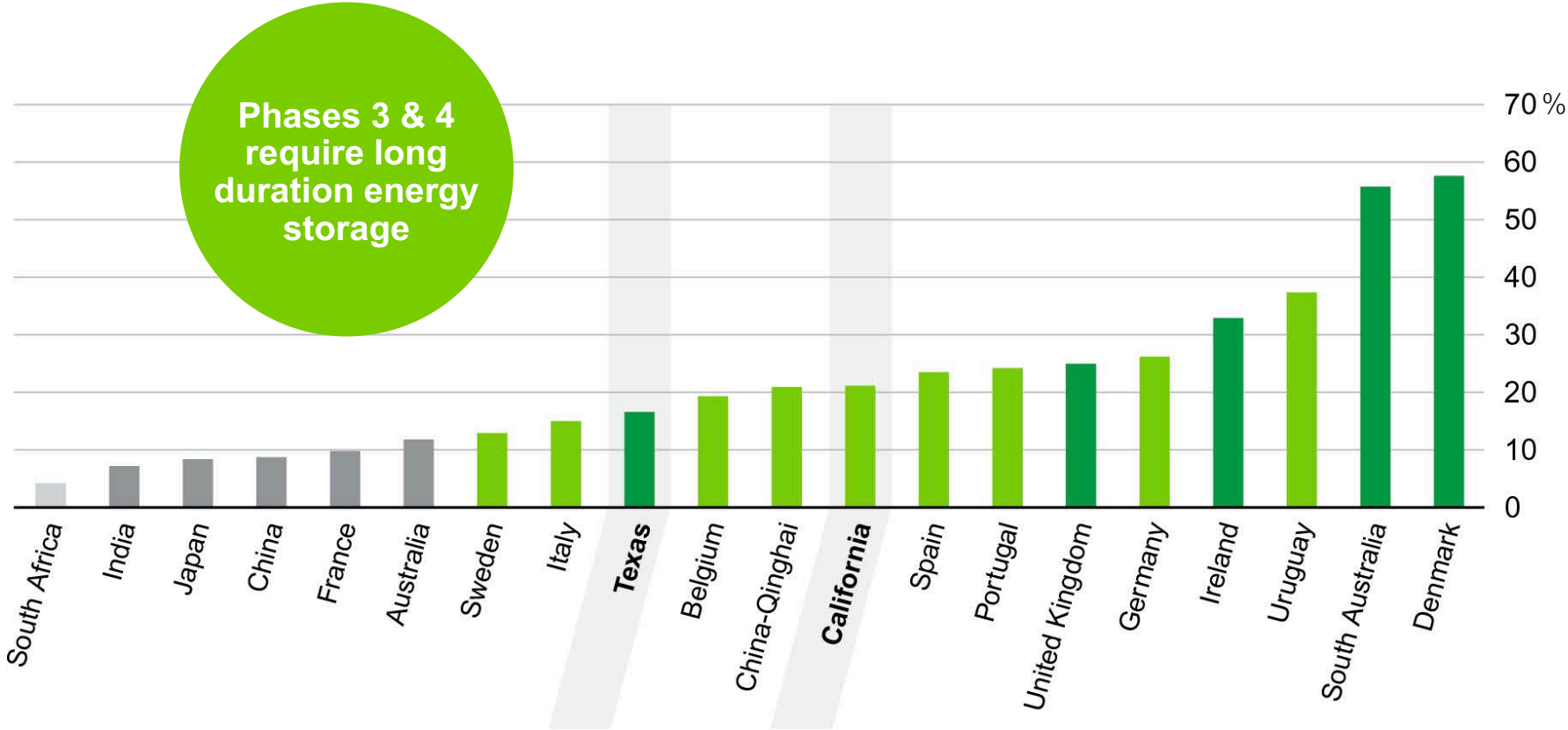
# US States and regions are at inflection point

for renewable energy proliferation and grid congestion management

Variable renewable energy (VRE) integration phases

- Phase 1**  
No relevant impact on system
- Phase 2**  
Minor to moderate impact on the system
- Phase 3**  
VRE determines the operation pattern of the system
- Phase 4**  
VRE makes up almost all generation in some periods

Percentage of solar and wind (VRE) in the power sector and VRE integration phases





# Operating Highlights

Discharge energy

**265 MWh**

~2 million operating cycles

Booked orders Year-to-date

**\$33 million**

representing 141 MWh of storage

Orders Backlog

**\$51 million**

representing 204 MWh of storage

Opportunity Pipeline

**\$3.9 billion**

representing 23 GWh of storage

Capacity/Tech Investment

**\$9 million**

\$101 million cash<sup>1</sup> as of 1Q '21

Revenue

**\$0.2 million**

Shell (Nayo) Nigeria shipment



# Differentiated technology



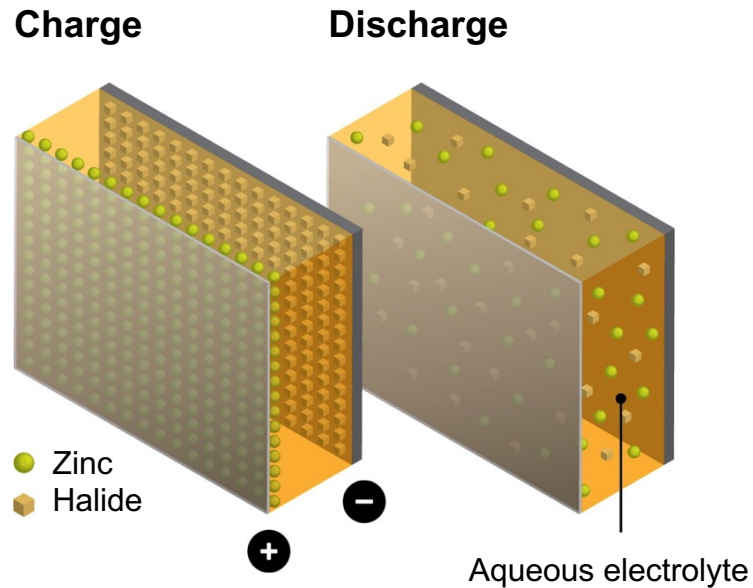


# Realizing the full power of zinc

Our ingeniously simple Znyth<sup>®</sup> aqueous electrolyte battery design

## A proprietary chemistry

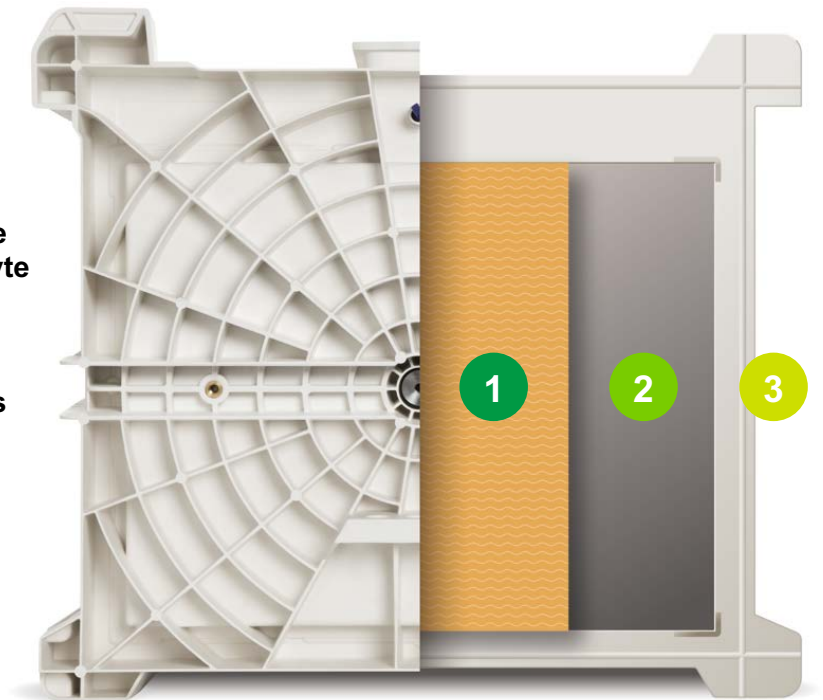
No dendrite formation or electrode densification eliminates performance decay and related safety hazards





## A closed-system design

No external pumps or equipment creates a compact footprint that's easy to manufacture and maintain

- 1 High-performance aqueous electrolyte
- 2 Non-degradable bipolar electrodes
- 3 Fully-sealed polymer frames



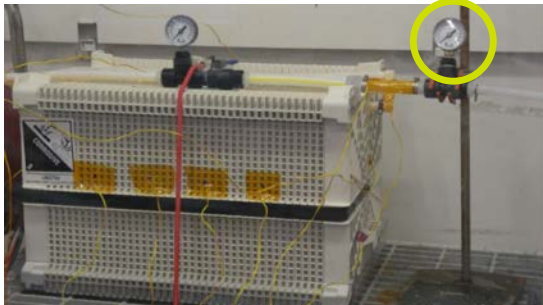
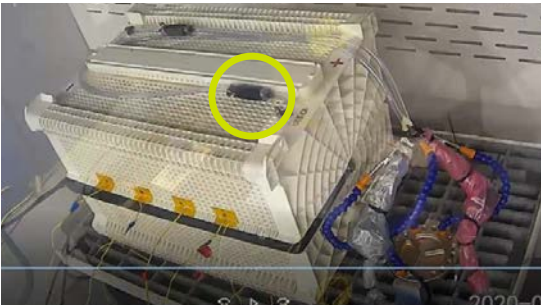
# Complete UL listing expected Q2 2021

	UL Standard	Status
	<b>Battery module compliant with UL 9540A</b> Safety for Thermal (fire/explosion) Runaway	<ul style="list-style-type: none"><li>+ All testing completed</li><li>+ UL report received March 9, 2021</li><li>+ UL is in the process of finalizing certification documents</li></ul>
	<b>Storage system compliant with UL 1973</b> Safety for Stationary Systems Applications	<ul style="list-style-type: none"><li>+ Qualifying frame material to meet the Relative Temperature Index (RTI), 80°C</li><li>+ Expect draft report mid-May</li><li>+ UL is in the process of finalizing certification documents</li></ul>

# Inherently fireproof battery

## UL9540A test results

Over Discharge Test	2 1/2" Nail Penetration	200% Overcharge Test	Battery Short Circuit
Discharge to zero voltage	Inject nail through case, causing cell short.	Charge battery to ~ 200% nominal charge.	Connect + & – terminals together while battery is fully charged resulting in >20x nominal current.
<div>+ No degradation + No capacity loss + Ready for continued operation</div>	<div>+ 25°C temperature rise + No flame + No explosion + No thermal runaway</div>	<div>+ Battery reaches 90°C + No flame + No explosion + Electrolyte/steam release at terminals and gas channel</div>	<div>+ Battery reaches 80°C and 425 amps of peak current + No flame + No explosion + Steam release at terminals and gas channel</div>



Post test images of Znyth® battery modules





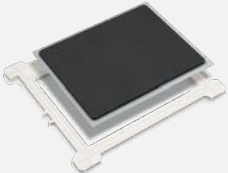
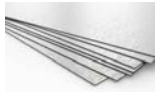



# Driving towards cost neutral recycling

Cradle-to-cradle thinking considers where and how materials are used

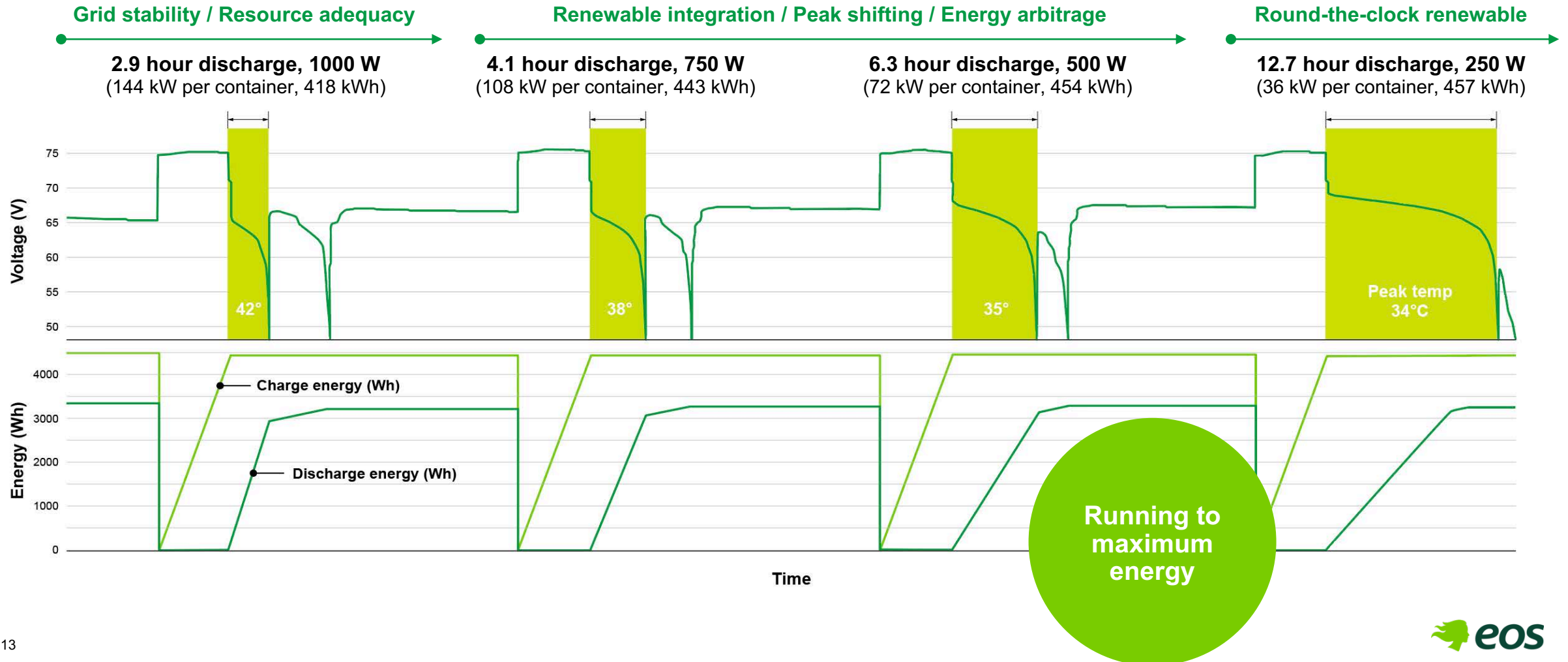


Recycling  
3 generations  
over 5 years;  
no special  
processes  
required

Processing			Raw materials	Potential uses
 Electrolyte extraction In the future, repurposed for use in Eos batteries	 Retention tank	Filtration	 Water	<ul style="list-style-type: none"><li>Reuse in electrolyte</li></ul>
		Dissolved salt and solvent extraction	 Salts	<ul style="list-style-type: none"><li>Oil and gas drilling</li><li>Reuse in electrolyte</li></ul>
 Battery separation	Physical processing		 Metal	<ul style="list-style-type: none"><li>Titanium alloys</li><li>Reuse in new Ti coil</li></ul>
			 Plastics	<ul style="list-style-type: none"><li>Waste bin manufacturing</li></ul>

# Maximum operational flexibility over 3-12 hour durations

Same performance at different discharge rates over consecutive cycles







# Four key elements required to deliver the capacity plan

## Facility

Fully repurposed  
in **11 months**

1



## Equipment

Current yields  
**above 90%**

2



## Material

**40%** battery cost  
out in 5 months

3



## People

Production adds  
**2X** in 5 months

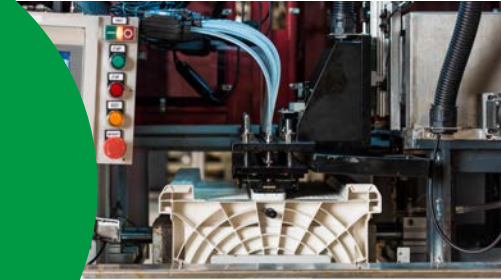
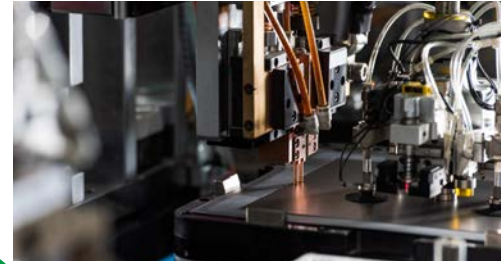
4



# Empty building to first fully-operational facility



11  
months



- + Over 40,000 sq. ft. manufacturing space with 30 & 10-ton overhead cranes
- + Over 18,000 sq. ft. warehouse with two 3-ton overhead cranes

- + Production ramp up on EA line
- + Added IR welders to match production
- + Optimize pressure decay and fill process
- + Develop lean manufacturing roadmap

# Lower cost, widely-available + locally-sourced materials

1

## Zinc-bromide

High-performance aqueous electrolyte

2

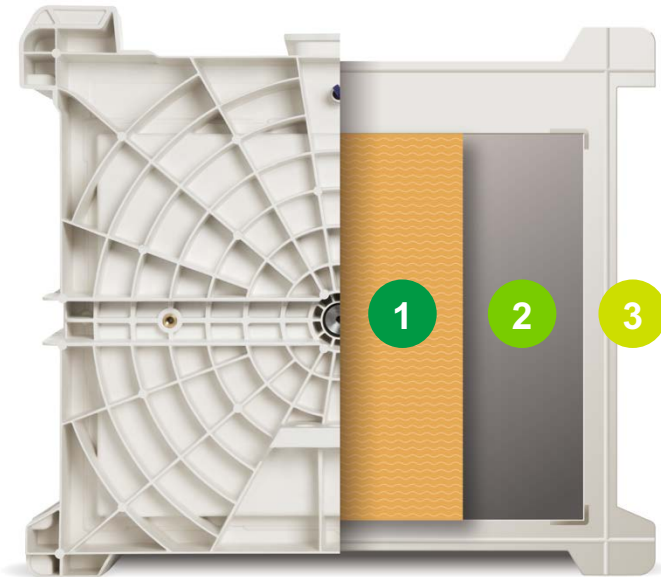
## Titanium and graphite felt

Non-degradable bipolar electrodes

3

## Plastic

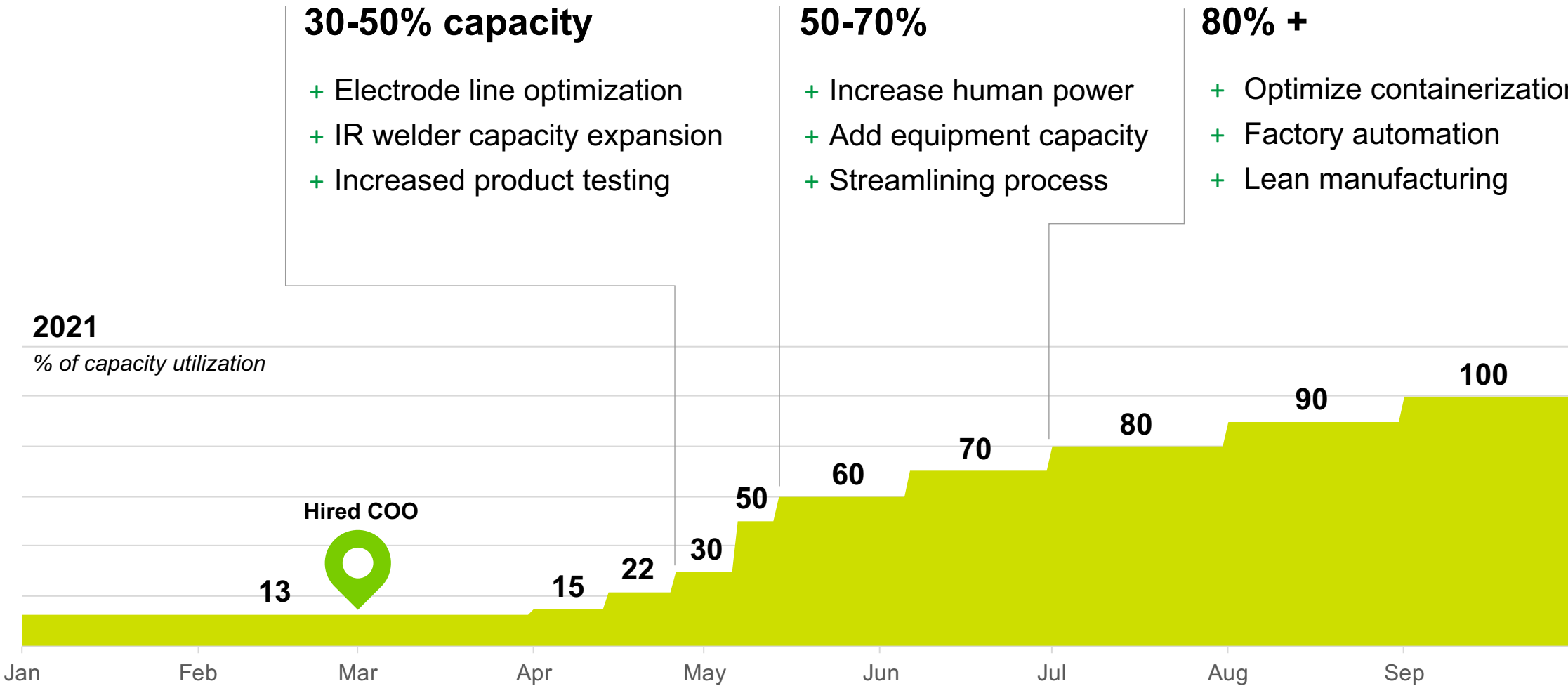
Fully-sealed polymer frames



	Zinc-bromide Zn/Br <sub>2</sub>	Titanium	Graphite felt	Plastic
<b>In use since</b>	2015	2015	2016	2019
<b>Type</b>	Battery grade Purified zinc bromide solution	Grade 2 commercially pure Non-aerospace industrial grade	Graphitized polyacrylonitrile Carbon fiber precursor	HDPE High Density polyethylene
<b>Top consumers</b>	<ul style="list-style-type: none"> <li>Flame retardants</li> <li>Mining</li> <li>Fracking</li> </ul>	<ul style="list-style-type: none"> <li>Infrastructure</li> <li>Architectural</li> <li>Medical</li> <li>Aerospace</li> </ul>	<ul style="list-style-type: none"> <li>Automotive</li> <li>Aerospace</li> </ul>	<ul style="list-style-type: none"> <li>Automotive</li> <li>Electronics</li> <li>Construction</li> </ul>
<b>Est. annual global capacity</b>	13.2M MT/ 350K MT	277K MT	32.55K MT	61M MT
<b>% of global demand @ 4GWh</b>	0.08% / 7.61%	2.56%	4.50%	0.03%
<b>Actions in progress</b>	Insourcing mixing process	Develop alternate materials	Testing new material specifications	Prequalified multiple molders

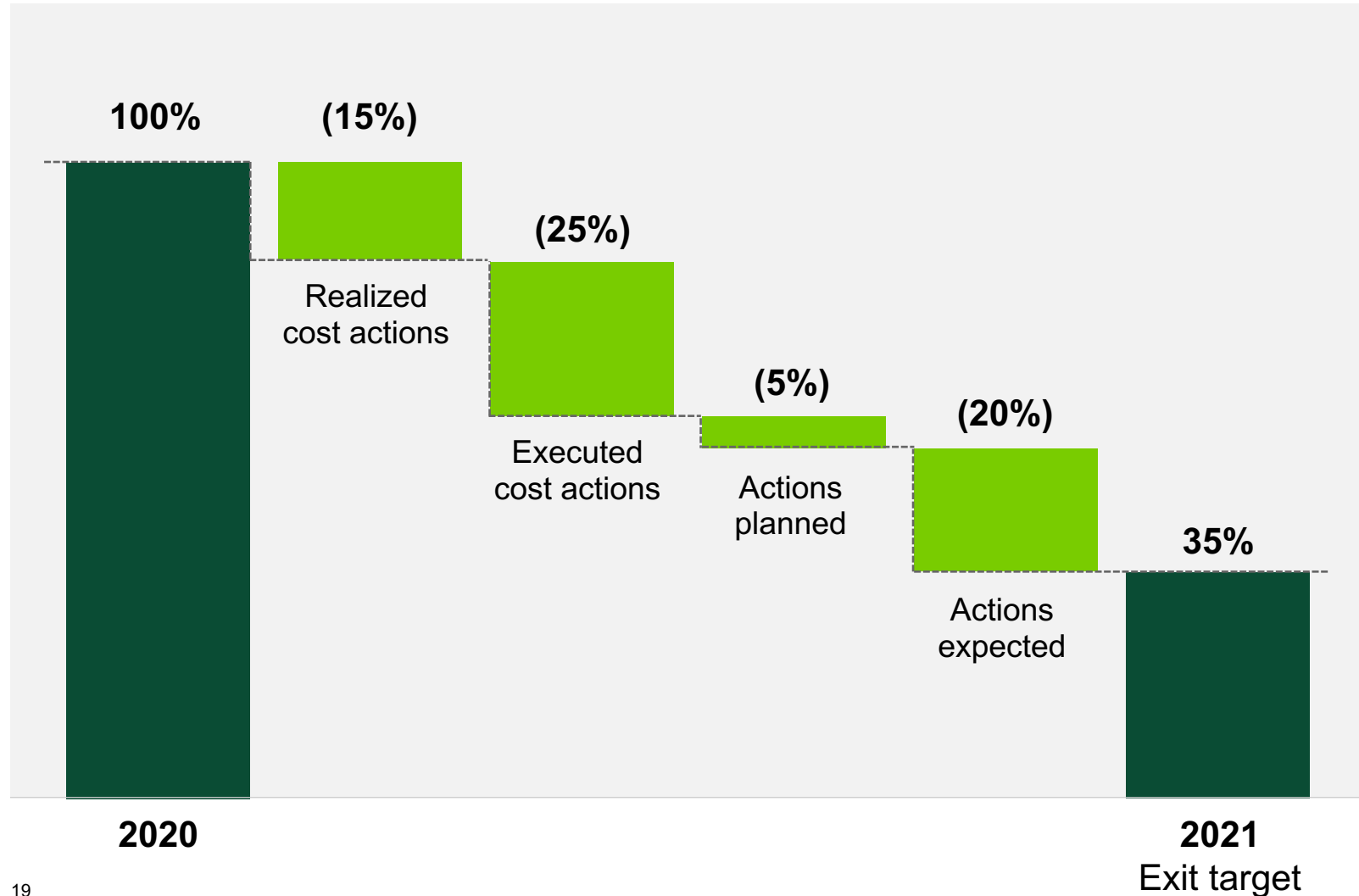


# Ramping up to meet delivery targets



# Targeting delivering 2/3<sup>rd</sup>s of 2021 cost out plan in 1H'21

Battery cost per KWh



## Realized cost actions

- + Tier 1 pricing discounts
- + Equipment optimization

## Executed cost actions

- + Additional volume discounts in-line with orders backlog

## Actions planned

- + Supplier diversification
- + Cycle time reduction

## Actions expected

- + Z3 aspect ratio
- + Tier 2 pricing discounts
- + Automation/optimization

# Orders growth and revenue delivery





# Current commercial activity

160+ potential customer projects engaged

Lead generation	Current pipeline		LOI / Firm commitments	Booked orders Year-to-Date
	Active proposals			
<b>\$2.4B</b> 14GWh	<b>\$0.6B</b> 4GWh Technical proposal	<b>\$2.7B</b> 16GWh Non-binding quote	<b>\$0.6B</b> 3GWh	<b>\$33.0M</b> 141MWh
<ul style="list-style-type: none"> <li>✓ Feasibility study</li> <li>✓ Develop project plan</li> <li>✓ Monitor regulations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Clear project requirements</li> <li>✓ Gather customer specs</li> <li>✓ Analyze use cases</li> <li>✓ Commercial &amp; technical proposal</li> </ul>		<ul style="list-style-type: none"> <li>✓ Finalize commercial terms</li> <li>✓ Contract negotiation</li> <li>✓ Letter of intent</li> <li>✓ Open closing conditions</li> </ul> <p><b>Customer next steps</b></p> <ul style="list-style-type: none"> <li>+ Acquire land rights</li> <li>+ Negotiate financing</li> <li>+ Establish interconnections</li> </ul>	<ul style="list-style-type: none"> <li>✓ Binding agreement</li> <li>✓ Open closing conditions</li> <li>✓ Purchase orders w/down payment</li> </ul> <p><b>Eos next steps</b></p> <ul style="list-style-type: none"> <li>+ Manufacture batteries</li> <li>+ Ship and install system</li> <li>+ Monitor performance</li> </ul>

# Current orders backlog

25 projects, 19 customers, 204MWh

## Year-to-date

(\$ in millions)



## Cash sales

direct purchase  
of Eos equipment

**20 projects, \$32.0M**

- + Orders represent 157MWh for delivery in 2021 and 2022
- + Equipment refers to DC containers, inverters, installation, and additional scope
- + Customary payment terms

## Asset leasing

equipment agreements  
on a lease-to-own basis

**4 projects, \$10.1M**

- + Orders represent 47MWh for delivery in 2021
- + Accelerate adoption of energy storage to renewable energy projects across microgrids
- + Competitive financing terms

## Services revenue

Long-term monitoring  
and maintenance

**18 projects, \$18.4M**

- + Range 5 to 18 Yrs., usually starting Yr. 3
- + Typically begin once two-year limited warranty expires
- + Service guarantees battery degradation curve and fulfills maintenance obligations

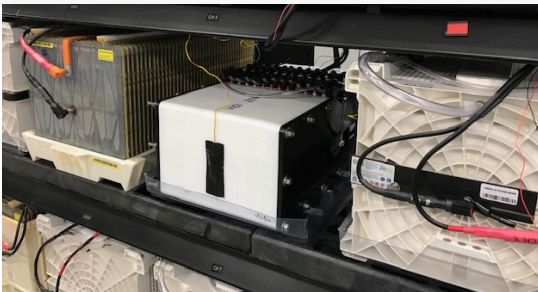
# Z3 Product launch



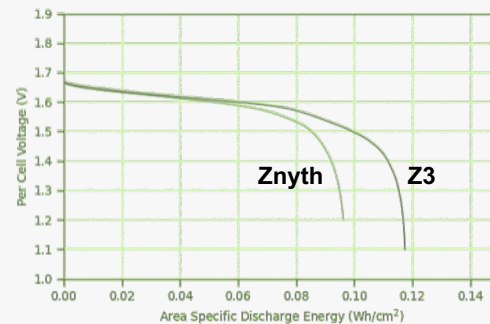
# The new high-performance Z3 battery and Eos Cube

**40%+ more power<sup>1</sup>**

**1/3 the size of  
current battery**  
Less material used  
to manufacture

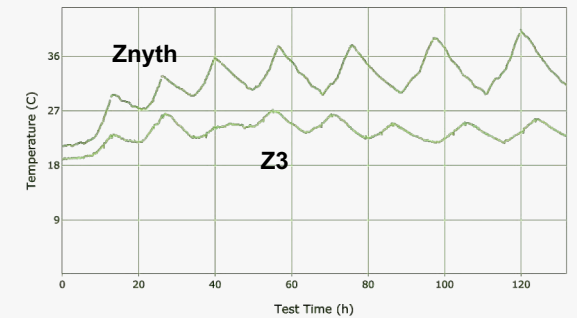
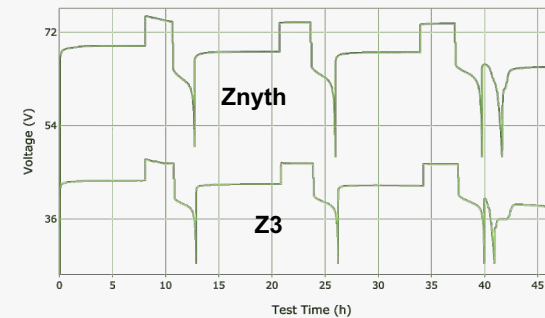


**~15% higher  
energy discharge\***  
More power in a  
smaller footprint



**25%+ lower LCOS<sup>1</sup>**

**Reduced total system and operating costs**  
Same voltage profile at lower temperature  
simplifies system configuration





# Executing 2021 business priorities

## 2Q'21 goals

**\$300 million** in booked orders

- + Expand global pipeline coverage
- + Obtain green bond rating

**\$50 million** in revenue

- + Commission 10 containers
- + Ship \$10M sales in next 5 months

**Full UL certification**

- + Achieve full UL1973 certification
- + Initiate CE mark (Europe) testing

**800MWh** capacity

- + Secure multiple raw material sources
- + Battery fill & system test lean improvements

**Gen 3.0 (Z3)** product launch

- + 3 battery prototype configurations on test
- + Finalize production design & material value stream map

**Investing in people and culture**

- + Launch European sales team
- + Expand software & systems engineering team

Strengthening Eos to deliver for the long-term