

Eos Energy Enterprises

Q2 2023 Financial Results

August 15, 2023



Eos. Positively ingenious.



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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.

Operating Highlights

Opportunity Pipeline¹

\$9.7 billion

representing 37 GWh

1H Booked Orders²

\$86.9 million

representing 349 MWh

Orders Backlog at 6/30¹

\$533.6 million

representing 2.2 GWh

LTD Discharge Energy³

1.4 GWh

Q2 Revenue⁴

\$0.2 million

Cash On Hand at 6/30¹

\$23.2 million

(1) Numbers shown as of 6/30/2023

(2) For the six months ended 6/30/2023

(3) Numbers shown as of 8/04/2023

(4) For the three months ended 6/30/2023

Eos Z3 Transition



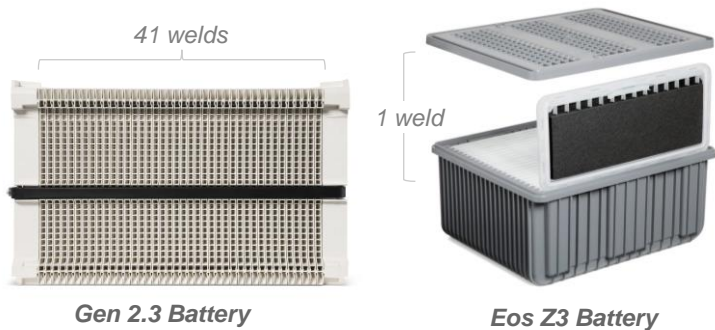
Eos Z3™ System Positions Eos to Become a Leader in LDES

Eos Z3 is designed to drive down cost, improve performance, and have a competitive levelized cost of storage

1 Design Enhancements

Same validated chemistry with a simpler and more scalable design

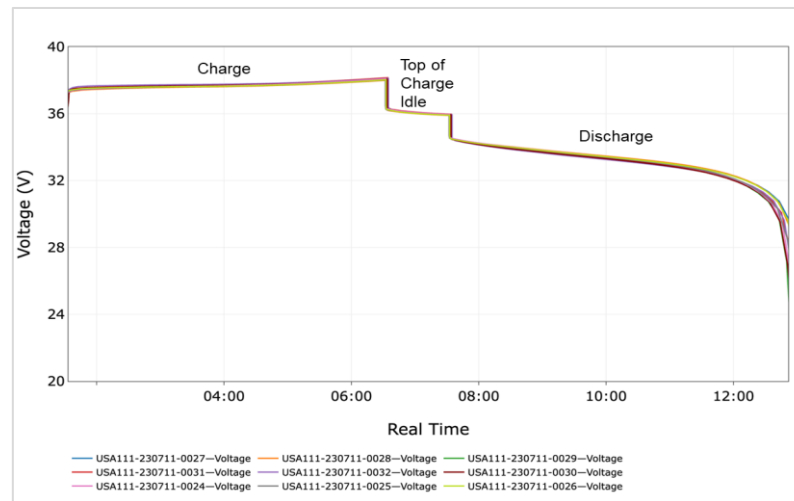
- ✓ Replaced titanium with conductive polymer resulting in **98% less lbs.** per battery
- ✓ **98% fewer** welds per battery reducing manufacturing cycle time & increasing yield



2 Initial Battery Performance

9 distinct modules consisting of 180 cells displaying consistency & repeatability

- ✓ Up to **79% RTE** and **850 Wh** discharge energy has been observed to date for these Z3 modules
- ✓ **Eos Z3 higher voltage range (20+ pts)** improves individual battery performance and increases Eos Cube energy capacity

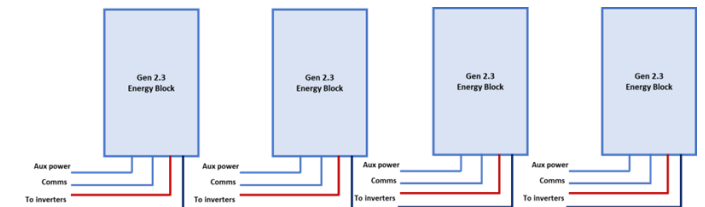


3 System Simplification

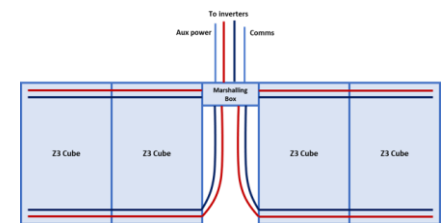
Transitioning to a system allowing multiple energy cubes to connect to 1 inverter

- ✓ **Increase site energy density** reducing capex at site by connecting **4x more energy** behind each inverter
- ✓ **Reduce** wire runs by **75%** reducing civil work that needs to be carried out at site

Gen 2.3 System



Eos Z3 System



Eos Zynth™ batteries are non-flammable and tolerate wide temperature ranges which do not require costly HVAC and fire suppression equipment otherwise required for traditional lithium-ion installations

Eos Z3 Launch Update

Beginning Eos Z3 battery module and Eos cube commercial manufacturing ramp

Semi-Automated Manufacturing Cells



Early Successes

- ✓ 4 minute cycle time with roadmap to 2 minutes
- ✓ Less than 1% battery scrap rate

Improvement Actions

- ✓ Optimizing material flow and handling
- ✓ Focusing on supplier capability

In Production



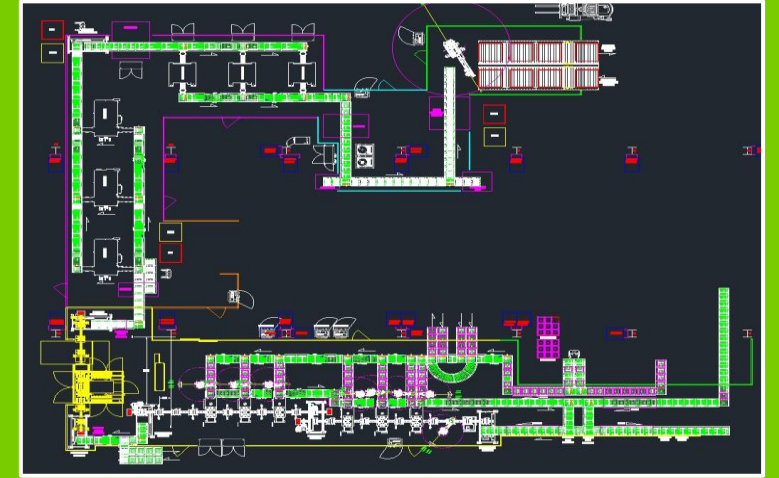
540 MWh capacity*

Eos Z3 System and Assembly



- ✓ New BMS is simpler and more robust allowing tuneable settings for finer control of battery operation
- ✓ ~10x reduction in voltage variation from setting change reducing loss of energy throughput
- ✓ Simplify testing process by testing individual trays vs. waiting for entire system to be wired

State-of-the-Art Manufacturing Design



Design layout for existing TC Facility

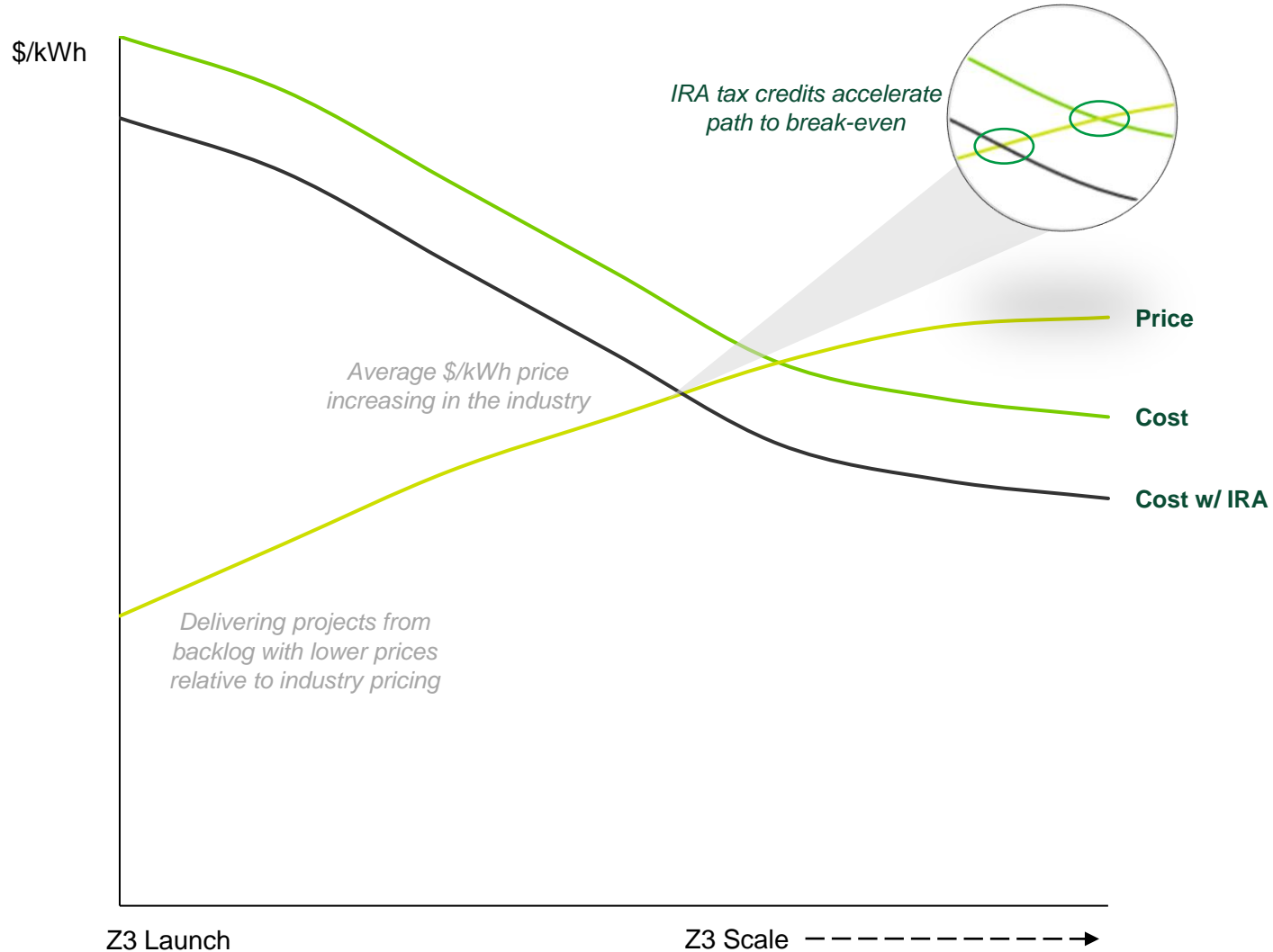
- ✓ Design layout complete and in Controls Engineering Phase
- ✓ Discrete manufacturing processes allowed learnings and enhancements resulting in time and capital efficiencies

Targeting 1H 2024



1.25 GWh capacity*

Eos Z3 Path to Profitability



Driving Improvement Across Margins

- Price ↑
- 1 More Competitive with market due to shortage of manufacturing capacity and increased LDES demand
 - 2 IRA's 10% Domestic ITC expected to allow price negotiation based on expected customer savings
 - 3 Expected to provide better project IRR for many 4+ hr. markets compared to lithium for BESS applications
 - 4 Demand for LDES continues to increase for alternative technologies to li-on

- Cost ↓
- 1 Replace titanium electrodes with conductive plastic electrodes
 - 2 Increase battery kWh capacity by 15% pre-automation by increasing cathode surface area
 - 3 Optimize electrolyte and felt supply chain
 - 4 Automation should enable higher throughput, absorbing more fixed costs, requiring less labor costs

Commercial Pipeline & Orders Backlog



Current Commercial Activity

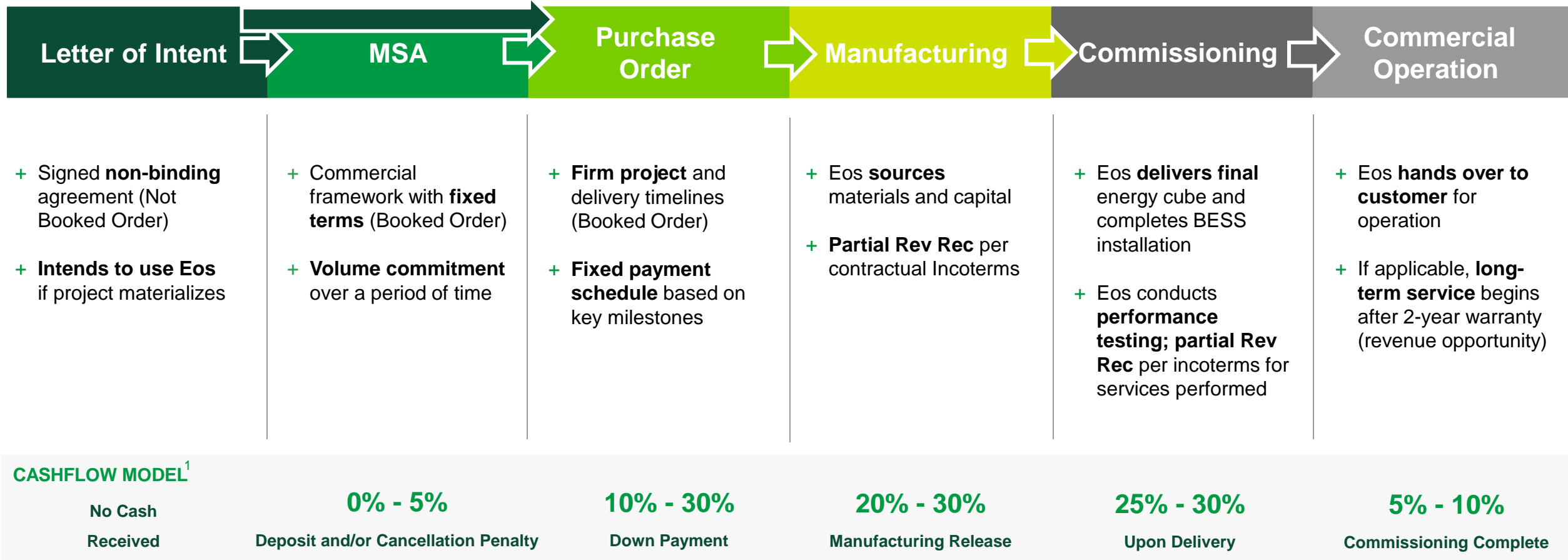
Total current pipeline increased \$1.1B vs. Q1 '23

Lead Generation ¹	Current Pipeline ¹ - \$9.7B; 37 GWh		LOI / Firm commitments	Backlog ¹
	Active proposals			
<p>\$10.9B 59 GWh</p> <p>↑ \$1.2B vs. Q1 '23</p> <ul style="list-style-type: none"> ✓ Feasibility study ✓ Develop project plan ✓ Monitor regulations 	<p>\$1.3B 5 GWh</p> <p>Technical proposal</p> <p>↑ \$1B vs. Q1 '23</p> <ul style="list-style-type: none"> ✓ Clear project requirements ✓ Gather customer specs ✓ Analyze use cases ✓ Commercial & technical proposal 	<p>\$6.8B 25 GWh</p> <p>Non-binding quote</p>	<p>\$1.6B 7 GWh</p> <p>↑ \$93M vs. Q1 '23</p> <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 	<p>\$533.6M 2.2 GWh</p> <p>↓ \$1.5M vs. Q1 '23</p> <ul style="list-style-type: none"> ✓ Binding agreement ✓ Open closing conditions ✓ Purchase orders and/or MSA with down payment <p>Eos next steps</p> <ul style="list-style-type: none"> + Manufacture batteries + Ship and install system + Monitor performance

9 (1) Numbers shown as of 6/30/2023; Numbers are rounded

Commercial to Operation Cashflow Cycle

Example model for working capital as up to 60% of cash is generally expected to be received prior to customer delivery



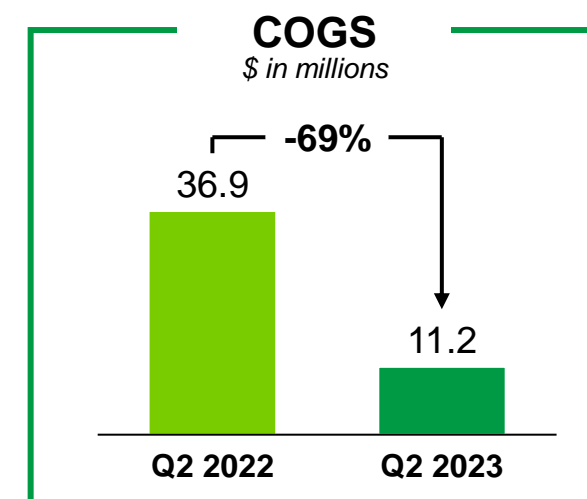
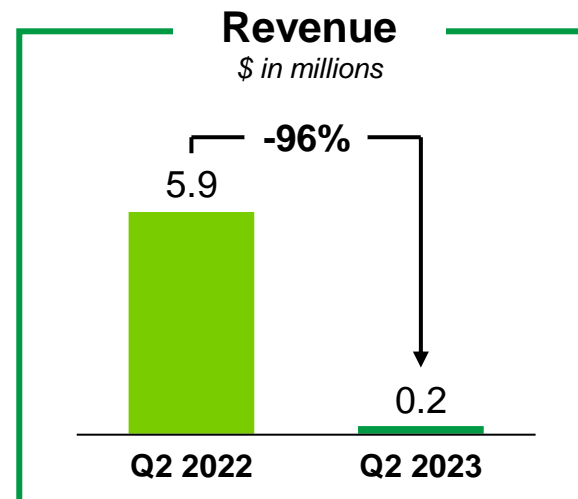
10 (1) Represents our standard form agreement; final agreement terms often vary

Financial Results



Second Quarter 2023 Eos Income Statement

(\$ in millions)	Q2 2023	Q2 2022
Revenue	0.2	5.9
Cost of goods sold	11.2	36.9
Gross Profit	(11.0)	(31.0)
R&D expense	5.0	5.5
SG&A expense	13.1	19.1
Loss from write-off of PP&E	5.4	2.0
Grant expense, net	-	(0.2)
Operating Loss	(34.6)	(57.4)
Interest expense, net	19.6	2.9
Change in fair value of derivatives	74.6	(4.2)
Loss on debt extinguishment	1.9	-
Other (income) / expense	0.9	0.6
Net Loss	(131.6)	(56.7)



Business Highlights:

- + Revenue of **\$0.2 million**, as the company transitions to next generation product, Eos Z3
- + Costs of Goods Sold of **\$11.2 million**, a **69% decrease** vs. prior year, driven by decreased volume related to the shift to Eos Z3, partially offset by commissioning related expenses
- + R&D **decreased \$0.4 million** vs. prior year driven by reduced outside service spend partially offset by ongoing Eos Z3 development
- + SG&A **decreased \$6.0 million** vs. prior year primarily driven by reduced professional service spend
- + Interest expense **increased \$16.7 million** primarily related to the convertible notes
- + Net Loss of **\$131.6 million**, or **\$28.9 million excluding non-cash items**, a **44%** year-over-year improvement

Progress Against 2023 Objectives

\$600–800M

in booked orders

- + Current opportunity pipeline increased \$1.1B from Q1 '23
- + Signed 5 new Letters of Intent for 1.2 GWh through 1H 2023
- + Continue to focus on key targeted states to capture market share

\$30–50M

in revenue

- + 1H 2023 revenue of \$9.1M as the Company transitions to Eos Z3
- + Focused on shifting manufacturing to Eos Z3™ battery with a Q4 ramp
- + Binary revenue dependent on ASC 606 Revenue Recognition per each contract

15%

product cost reduction
from Eos Z3 launch

- + Achieved 2 of 7 key projects for year end cost target
- + Negotiated volume discount on cube enclosure
- + Improved battery power density through increased cathode surface area