

Eos Energy Enterprises

Q2 2024 Financial Results

August 07, 2024



Eos. Positively ingenious.



Disclaimer

Forward-Looking Statements

This presentation includes “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 Energy Enterprises, Inc. (“Eos”) pursuant to the Inflation Reduction Act of 2022, the delayed draw term loan (the “DDTL”) from an affiliate of Cerberus Capital Management, L.P. (“Cerberus”), milestones thereunder and the anticipated use of proceeds therefor, 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 2024 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 achieve the operational milestones under the DDTL; our ability to generate cash, service indebtedness and incur additional indebtedness; our ability to raise financing in the future; 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 of Energy Loan Programs Office; our ability 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; the failure 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 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 indicated in the company’s most recent annual report on Form 10-K and subsequent reports on Forms 10-Q and 8-K, including those under the heading “Risk Factors” therein, and other factors identified in Eos’s prior and future SEC filings with the SEC, available at www.sec.gov. Eos cautions that the foregoing list of factors is not exclusive and not to place undue reliance upon any forward-looking statements, which speak only as of the date made. Eos does not undertake or accept any obligation to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions or circumstances on which any such statement is based.

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.

Disclaimer

Important Information and Where You Can Find It

This presentation may be deemed to be solicitation material in respect of a vote of stockholders 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 part of the financing transaction entered into on June 21, 2024 (the "Financing"). In connection with the requisite stockholder approval, Eos filed on July 29, 2024 a preliminary proxy statement which is available at the SEC's website (<http://www.sec.gov>) and will file 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 Financing.

INVESTORS AND SECURITY HOLDERS OF EOS AND THEIR RESPECTIVE AFFILIATES ARE URGED TO READ, THE PRELIMINARY PROXY STATEMENT AND WHEN AVAILABLE, THE DEFINITIVE PROXY STATEMENT AND ANY OTHER RELEVANT DOCUMENTS FILED OR TO BE FILED WITH THE SEC IN CONNECTION WITH THE FINANCING, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT EOS AND THE FINANCING. 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 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 under the rules of the SEC to be participants in the solicitation of proxies with respect to the requisite stockholder approval related to the Financing. Information regarding Eos directors and officers is available in (i) its definitive proxy statement for the 2024 annual stockholders meeting, which was filed with the SEC on April 2, 2024, and (ii) its current reports on Form 8-K filed by Eos on June 24, 2024 and July 29, 2024. Other information regarding the participants in the solicitation of proxies in respect to the Financing and the description of their direct and indirect interests, as security holders or otherwise, is contained in the preliminary proxy statement filed by Eos on July 29, 2024 and will be contained in the definitive proxy statement and other relevant materials to be filed by Eos 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.

Operating Highlights

Commercial Pipeline¹

\$13.8 billion

Representing ~52 GWh

Booked Orders²

\$133.1 million

Representing ~0.5 GWh

Orders Backlog at 6/30¹

\$586.8 million

Representing ~2.3 GWh



Discharge Energy³

4.0 GWh

~3.6 GWh in the field

Q2 Revenue⁴

\$0.9 million

SotA line 1 in production 6/30

Cash On Hand at 6/30¹

\$52.5 million

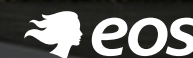
Excludes ~\$5.1m restricted cash

(1) Numbers shown as of 6/30/2024

(2) For the six months ended 6/30/2024

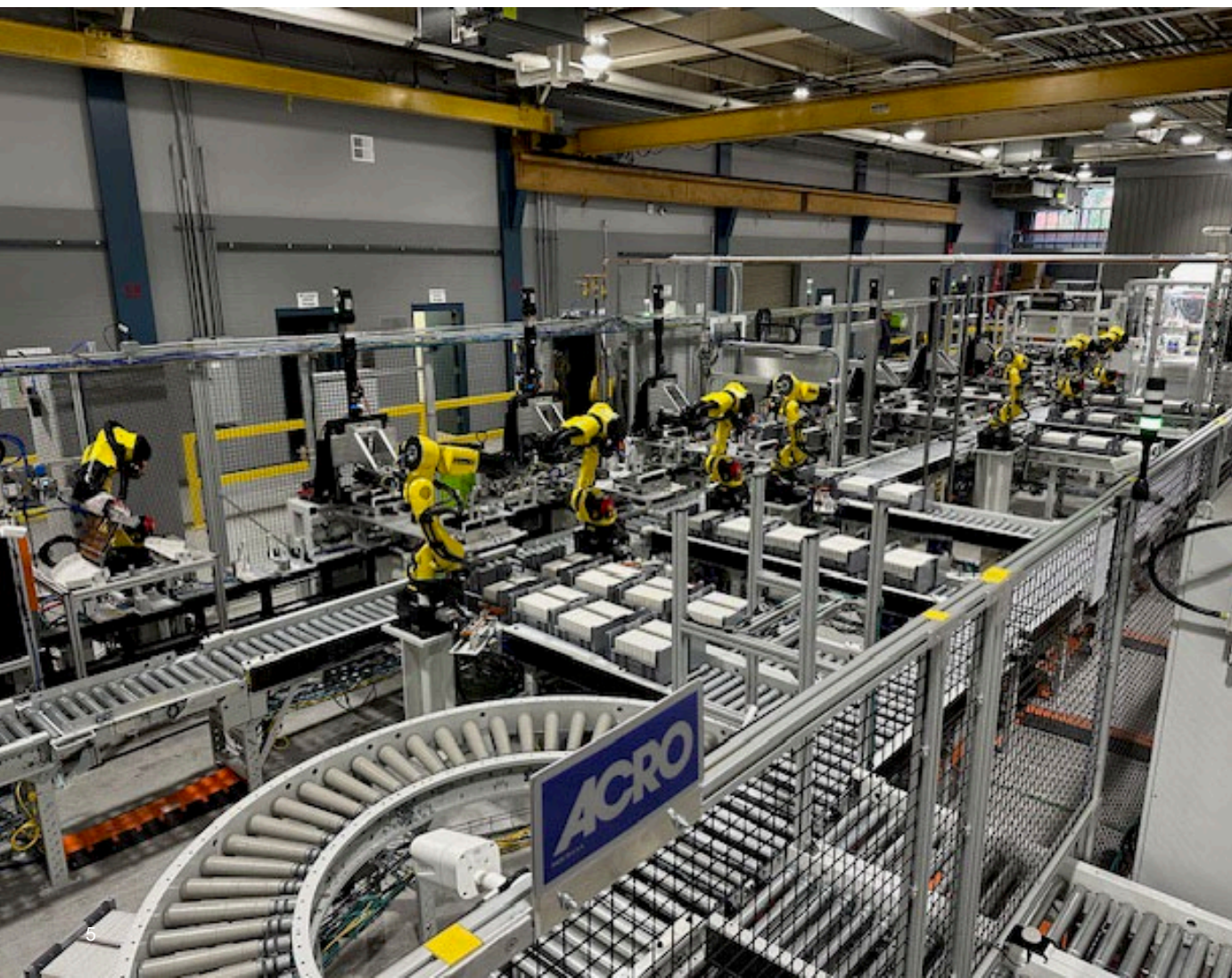
(3) Numbers shown as of 7/25/2024

(4) For the three months ended 6/30/2024



Recent Achievements

Positioning to capture larger, longer, duration energy storage opportunities



Cerberus Strategic Investment

- ✓ Recognized global leader in alternative investing, ~\$65B AUM
- ✓ Propels path to profitability and Project AMAZE implementation

SotA Line 1 in Commercial Production

- ✓ Producing commercial Eos Z3™ batteries at scale
- ✓ Ramping manufacturing capacity over next 6 months

Selected as BNEF Tier 1 Energy Storage Provider

- ✓ Classifies top tier renewable energy and clean technology companies
- ✓ One of five US companies & one of two alternate battery companies

Why Cerberus Chose Eos

Strategic investment thesis

1

Cerberus is a global leader in alternative investing with ~\$65 billion of assets. Its Supply Chain investment strategy has a dedicated focus on partnering with companies to address critical supply chain shortages that are important to the long-term security of the US and its global allies.

2

Over the past year, Cerberus has increased its focus on businesses that are engaged in manufacturing of battery storage systems, including both lithium and non-lithium technologies.

3

In the case of non-lithium technologies, Cerberus has performed extensive due diligence on several different chemistries and identified Eos's Z3 technology as a viable non-lithium technology that is ready to scale in the short term.

4

Cerberus believes that the simple and cost-effective design of the Eos Z3 battery vs. conventional technology, as well as the safety inherent in using zinc bromide chemistry, which is nonflammable and non-toxic, further differentiates this product in the market.

5

The Eos technology is better suited than lithium for certain applications, including long duration applications in the 4–8-hour range and applications where the battery can be cycled multiple times per day.

6

After a lengthy, in-depth due diligence evaluation, Cerberus' investment in Eos marks the firm's first investment in an energy storage systems company.

7

Cerberus' investment demonstrates confidence in Eos Z3 product, and a view that the potential demand for Eos's zinc-based alternative could exceed the 8 GWh of production currently planned in Pennsylvania.

8

With Cerberus' involvement and support, Eos as a first-mover could potentially capture a meaningful share of a non-lithium market; Cerberus estimates non-lithium could ultimately become approximately 30% of the overall energy storage market.

9

Cerberus believes that the Eos team, led by CEO Joe Mastrangelo, and backed by Cerberus' support, is the right team to lead Eos to the next level.

10

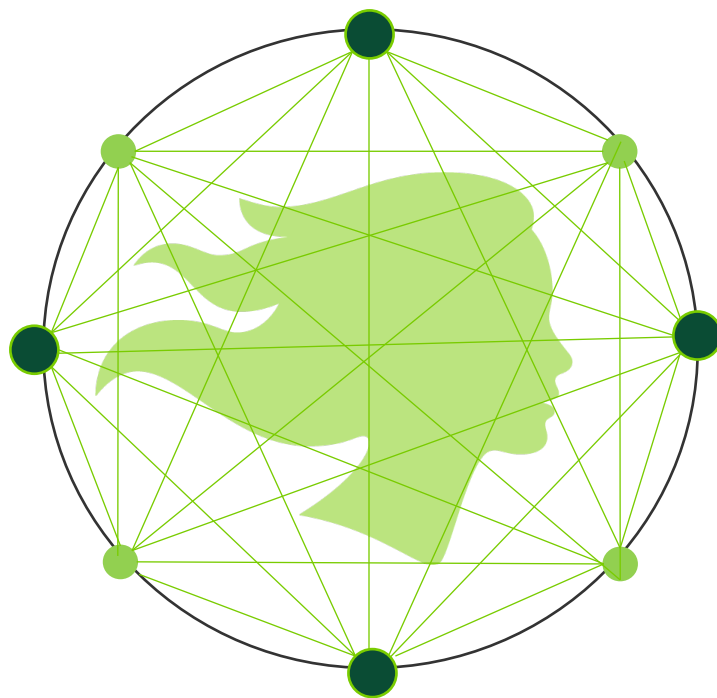
With Cerberus' partnership and significant operating, technical and government expertise, Cerberus believes Eos is well positioned for growth, both commercially and with the United States and other allied nations.

Recent Eos Tailwinds

Positive momentum post announcement enhancing growth potential

Commercial Growth

- ✓ Signed **960 MWh Letter of Intent** with new customer, subject to financing
- ✓ **11 new customer** factory visits
- ✓ Identified **6 GWh short term pipeline** and **17+ GWh long term** market opportunities
- ✓ Exploring and developing **financing solutions** for customer projects



Operational Excellence

- ✓ Implementing **operations council** to work with the **board** to improve performance
- ✓ Identified new **design, materials & contract manufacturing** cost-out opportunities
- ✓ Accelerating **proprietary software** development to enhance system functionality
- ✓ Expanding **supplier relationships** with **improved terms & new capabilities**

Operational Scale & Capacity



Manufacturing at Scale and Cost

Successfully launched commercial production; scaling operations to optimize performance

State-of-the-Art Battery Manufacturing Line 1 in Commercial Production



Approaching
10 second
cycle time

Manufacturing & Cost-Out

Highlights

- ✓ Validated sub-assembly processes quality
- ✓ Aligned direct labor cost to Q2 production volume
- ✓ Flat QoQ manufacturing overhead dollars
- ✓ Achieved 66% Z3 direct material cost-out target

Areas of Focus

- Improve labor & overhead utilization
- Fine tuning line performance & training workforce
- Testing higher density materials for Q4 cost-out target
- Automate sub-assembly processes

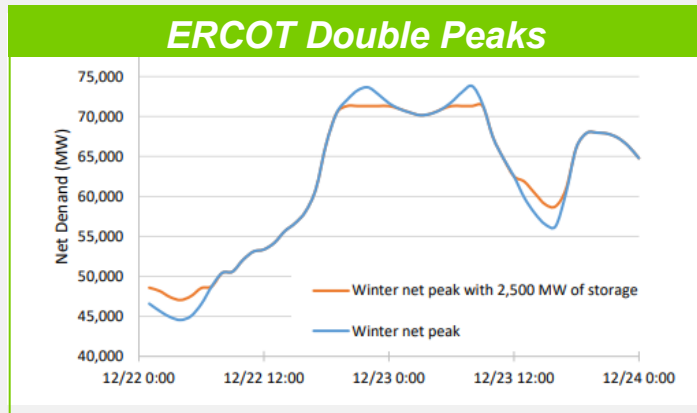
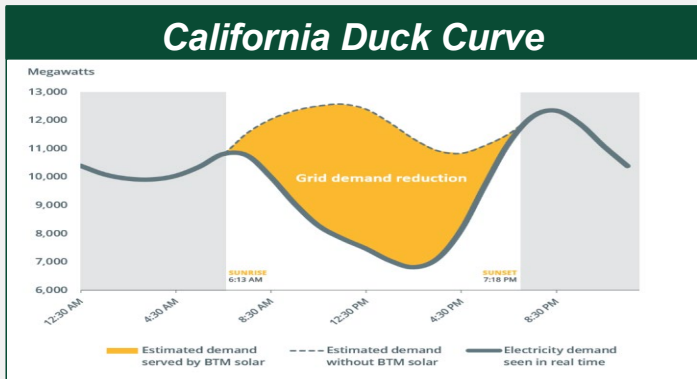
Commercial Opportunity Pipeline & Orders Backlog



Selected as BNEF Tier 1 Energy Storage Supplier

Awarded to manufacturers meeting rigorous product performance, bankability and customer satisfaction standards

Emerging LDES Requirements



“A Good Neighbor”

Manufactured in the USA

NDA
Compliant

Certified Safe

Non-flammable

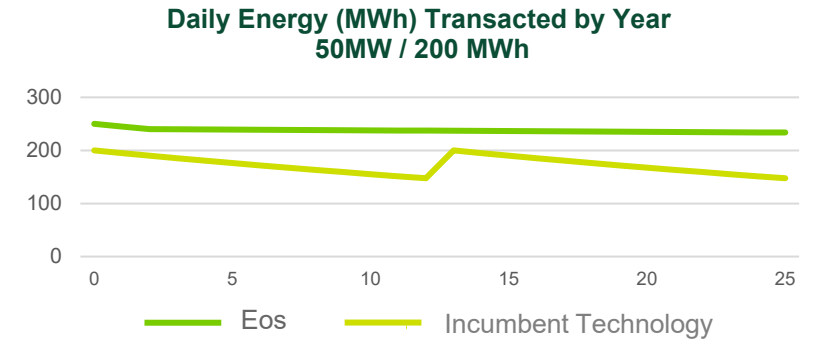
Functionally Silent

50 – 65 Decibels
Equivalent to everyday conversation

Fully Recyclable

With commercially existing capabilities

Eos Levelized Cost of Storage



Eos vs. Incumbent

Capex (\$/kWh)	+ 10 – 20% \$/kWh
RTE	-10%
Mid – Project Augmentation	+33%
Peak Shifting (MWh)	+8%
Ancillary Energy Services (MWh)	+25%
Daily Duty Cycle	Multiple Cycles
Total Energy @ 25 years (MWh)	+37%
Eos Total LCOS Advantage	+31%



Current Commercial Activity

Total pipeline increased ~\$0.5B from prior quarter; commercial pipeline momentum post Cerberus announcement

Lead Generation ¹	Commercial Opportunity Pipeline - \$13.8B ¹		Backlog ¹
	Active proposals	LOI / Firm commitments	
<p>\$9.5B ~37 GWh</p> <p><i>Change vs. prior quarter</i></p> <p>↓ ~0%</p> <ul style="list-style-type: none"> ✓ Feasibility study ✓ Develop project plan ✓ Monitor regulations 	<p>\$2.3B ~8 GWh</p> <p>Technical proposal</p> <p>\$10.1B ~37 GWh</p> <p>Non-binding quote</p> <p>2.2 GWh² in late-stage approvals. Awaiting grant awards, shortlisted project closure, and final contracting with Eos technology</p> <p>↑ ~4%</p> <ul style="list-style-type: none"> ✓ Clear project requirements ✓ Gather customer specs ✓ Analyze use cases ✓ Commercial & technical proposal 	<p>\$1.4B ~7 GWh</p> <p>↑ ~3%</p> <ul style="list-style-type: none"> ✓ Finalize commercial terms ✓ Contract negotiation ✓ Letter of intent ✓ Open closing conditions 	<p>\$586.8M ~2.3 GWh</p> <p>↓ ~3%</p> <ul style="list-style-type: none"> ✓ Binding agreement ✓ Open closing conditions ✓ Purchase orders and/or MSA with down payment

12 (1) Numbers shown as of 6/30/2024
 (2) Includes 960 MWh LOI announced August 6th

Financial Results & Forecast



Strengthened Balance Sheet & Increased Capital Flexibility

Strategic investment expected to provide adequate capital to reach profitability with added flexibility

Profitability

\$210.5m

**Cerberus
Delayed Draw Term Loan**

Funding based on performance milestones

Expansion Investment

\$105m

**Cerberus
Revolver**

Added flexibility in the event its needed

Up to
\$398.6m

**LPO Title XVII Loan
Conditional Commitment**

Lowers cost of capital

Operational Cash

Customer Deposits

**Monetization of
Production Tax Credits**

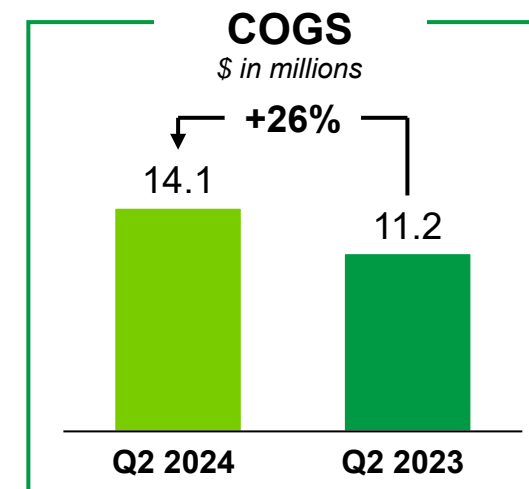
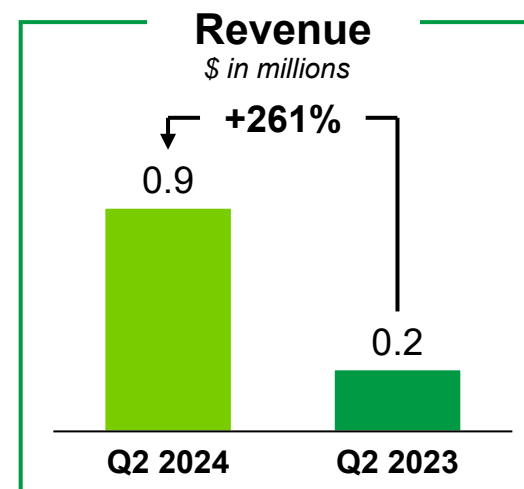
**Working Capital
Improvements**

Additional sources of capital

Extinguished \$100m Senior Secured Term Loan for \$27m

Second Quarter 2024 Eos Income Statement

(\$ in millions)	Q2 2024	Q2 2023
Revenue	0.9	0.2
Cost of Goods Sold	14.1	11.2
Gross Loss	(13.2)	(11.0)
R&D expense	4.3	5.0
SG&A expense	11.3	13.1
Loss from write down of PP&E	0.3	5.4
Operating Loss	(29.0)	(34.6)
Interest expense, net / related party	8.4	19.6
Change in fair value of debt, related party	0.2	-
Change in fair value of warrants and derivatives	55.7	74.6
(Gain) Loss on debt extinguishment	(68.5)	1.9
Other (income) / expense	3.3	0.9
Income tax expense	0.0	0.0
Net Loss (Attributable to Shareholders)	(28.2)	(131.6)



Business Highlights:

- + **Revenue increased 261%** driven by higher component and commissioning revenues
- + **26% higher COGS** driven by commissioning costs related to prior period shipments, Z3 micro-grid demonstration project, and lower labor utilization and overhead absorption
- + Operating expenses of **\$15.8 million**, a **33% decrease** vs. prior year
- + Operating loss of **\$29.0 million**, a **16% improvement** vs. prior year
- + Net Loss of **\$28.2 million**, **79% improvement** vs. prior year

Reaffirming Fiscal Year 2024 Outlook

Revenue

\$60m - \$90m

Expects to increase manufacturing volumes throughout Q4 2024 as cost-road map aligns

Contribution Margin

Positive in Q4

Defined as sales price less direct labor, direct materials, and includes the benefit of the production tax credits

Scheduled Key Events

Eos Special Shareholder Meeting

September 2024

Q3 Earnings Call

November 2024

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