

**UNITED STATES DISTRICT COURT  
DISTRICT OF NEW JERSEY**

\_\_\_\_\_, Individually and On  
Behalf of All Others Similarly Situated,

Plaintiff,

v.

EOS ENERGY ENTERPRISES, INC.,  
JOSEPH MASTRANGELO, RANDALL  
GONZALE, and NATHAN KROEKER,

Defendants.

Case No.

**CLASS ACTION COMPLAINT FOR  
VIOLATIONS OF THE FEDERAL  
SECURITIES LAWS**

**DEMAND FOR A JURY TRIAL**

Plaintiff \_\_\_\_\_ (“Plaintiff”), individually and on behalf of all others similarly situated, by and through her attorneys, alleges the following upon information and belief, except as to those allegations concerning Plaintiff, which are alleged upon personal knowledge. Plaintiff’s information and belief is based upon, among other things, his counsel’s investigation, which includes without limitation: (a) review and analysis of regulatory filings made by Eos Energy Enterprises, Inc. (“Eos” or the “Company”) with the United States (“U.S.”) Securities and Exchange Commission (“SEC”); (b) review and analysis of press releases and media reports issued by and disseminated by Eos; and (c) review of other publicly available information concerning Eos.

### **NATURE OF THE ACTION AND OVERVIEW**

1. This is a class action on behalf of persons and entities that purchased or otherwise acquired Eos securities between May 9, 2022 and July 27, 2023, inclusive (the “Class Period”). Plaintiff pursues claims against the Defendants under the Securities Exchange Act of 1934 (the “Exchange Act”).

2. Eos claims it designs, develops, manufactures, and markets zinc-based energy storage solutions for utility-scale, microgrid, and commercial & industrial (“C&I”) applications.

3. Eos was originally incorporated in Delaware in June 2019 as a special purpose acquisition company (“SPAC”) name B. Riley Principal Merger Corp. II (“B. Riley”). B. Riley was formed to acquire a company or companies, through a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination. Upon the completion of the business combination of B. Riley and Eos Energy Storage, LLC on November 16, 2020 (the “Merger”), the Company changed its name to “Eos Energy Enterprises, Inc.” The Company’s common shares started trading under the ticker NASDAQ: EOSE on November 16, 2020.

4. On July 27, 2023, during market hours, Iceberg Research (“Iceberg”) published a report titled “62% OF \$EOSE’S BACKLOG IS WITH FINANCIALLY DISTRESSED BRIDGELINK WHOSE RENEWABLE ENERGY ASSETS WERE FORECLOSED AND AUCTIONED OFF IN MAY.” Therein, Iceberg alleged that while the fate of Eos “rests on its touted 2.2 GWh energy storage system backlog, which EOS valued at \$535 million at the end of March 2023,” the backlog “is fake.” Iceberg elaborated that “Bridgelink Commodities, accounts for half of EOS’s backlog by MWh or ~62% (\$331 million) of its total dollar value” but that Iceberg “decided to dig into this customer’s background and uncovered a group whose assets were recently seized by a creditor and sold in an auction.” Iceberg added that “[w]e wonder how EOS can still present Bridgelink as a major client” and that “EOS continues to include Bridgelink in its backlog, and is likely to have made the same representations when applying for the Department of Energy loan.” Iceberg concluded that its findings “completely undermine the authenticity of EOS Energy’s promoted backlog.”

5. On this news, the Company’s stock price fell \$0.83 per share, or 23.9%, to close at \$2.65 per share on July 27, 2023, on unusually heavy trading volume.

6. On July 27, 2023, after the market closed, Eos issued a press release titled “Eos Energy Enterprises Provides Preliminary Results & Issues Statement Regarding Its Customer Commitments and Backlog.” Therein, the Company attempted to address the issues that Iceberg identified. Eos stated that “[t]he Company believes that its customer, Bridgelink Commodities, LLC, is a separate legal entity which is not implicated in the legal matters highlighted in today’s statements” and that “[t]his customer, representing 45% of the Company’s backlog, reconfirmed today that it continues to build pipeline and is actively seeking financing for energy storage projects covered by Eos’s multi-year Master Supply Agreement.” Eos also stated that “[t]he

Company continues to progress through the Department of Energy (DOE) Loan Programs Office's (LPO) process for its Title XVII loan and is awaiting a conditional approval decision which may be taking longer due to changes from the recent Interim Final Rule announced in May."

7. On this news, the Company's stock price fell \$0.39 per share, or 14.7%, to close at \$2.26 per share on July 28, 2023, on unusually heavy trading volume.

8. Throughout the Class Period, Defendants made materially false and/or misleading statements, as well as failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Bridgelink Commodities, LLC ("Bridgelink") is connected to a group whose assets were seized by a creditor and sold in an auction; (2) that, as such, Bridgelink's commitment and ability to purchase Eos products was not as secure as Eos had led investors to believe; (3) that, as such, Eos's backlog was overstated; (4) that such overstatement negatively impacts Eos's ability to secure a loan from the Department of Energy; and (5) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

9. As a result of Defendants' wrongful acts and omissions, and the precipitous decline in the market value of the Company's securities, Plaintiff and other Class members have suffered significant losses and damages.

### **JURISDICTION AND VENUE**

10. The claims asserted herein arise under Sections 10(b) and 20(a) of the Exchange Act (15 U.S.C. §§ 78j(b) and 78t(a)) and Rule 10b-5 promulgated thereunder by the SEC (17 C.F.R. § 240.10b-5).

11. This Court has jurisdiction over the subject matter of this action pursuant to 28 U.S.C. § 1331 and Section 27 of the Exchange Act (15 U.S.C. § 78aa).

12. Venue is proper in this Judicial District pursuant to 28 U.S.C. § 1391(b) and Section 27 of the Exchange Act (15 U.S.C. § 78aa(c)). Substantial acts in furtherance of the alleged fraud or the effects of the fraud have occurred in this Judicial District. Many of the acts charged herein, including the dissemination of materially false and/or misleading information, occurred in substantial part in this Judicial District. In addition, the Company’s principal executive offices are in this District.

13. In connection with the acts, transactions, and conduct alleged herein, Defendants directly and indirectly used the means and instrumentalities of interstate commerce, including the United States mail, interstate telephone communications, and the facilities of a national securities exchange.

#### **PARTIES**

14. Plaintiff \_\_\_\_\_, as set forth in the accompanying certification, incorporated by reference herein, purchased Eos securities during the Class Period, and suffered damages as a result of the federal securities law violations and false and/or misleading statements and/or material omissions alleged herein.

15. Defendant Eos is incorporated under the laws of Delaware with its principal executive offices located in Edison, New Jersey. Eos’s common stock trades on the NASDAQ Stock Market (“NASDAQ”) under the symbol “EOSE” and its warrants trade under the symbol “EOSEW.”

16. Defendant Joseph Mastrangelo (“Mastrangelo”) was Eos’s Chief Executive Officer (“CEO”) at all relevant times.

17. Defendant Randall Gonzales (“Gonzales”) was the Company’s Chief Financial Officer (“CFO”) from prior to the start of the Class Period until January 23, 2023.

18. Defendant Nathan Kroeker (“Kroeker”) was Eos’s Chief Financial Officer (“CFO”) from January 23, 2023 through the end of the Class Period.

19. Defendants Mastrangelo and Kroeker (collectively the “Individual Defendants”), because of their positions with the Company, possessed the power and authority to control the contents of the Company’s reports to the SEC, press releases and presentations to securities analysts, money and portfolio managers and institutional investors, *i.e.*, the market. The Individual Defendants were provided with copies of the Company’s reports and press releases alleged herein to be misleading prior to, or shortly after, their issuance and had the ability and opportunity to prevent their issuance or cause them to be corrected. Because of their positions and access to material non-public information available to them, the Individual Defendants knew that the adverse facts specified herein had not been disclosed to, and were being concealed from, the public, and that the positive representations which were being made were then materially false and/or misleading. The Individual Defendants are liable for the false statements pleaded herein.

## **SUBSTANTIVE ALLEGATIONS**

### **Background**

20. Eos claims it designs, develops, manufactures, and markets zinc-based energy storage solutions for utility-scale, microgrid, and C&I applications.

21. Eos was originally incorporated in Delaware in June 2019 as a SPAC (B. Riley). B. Riley was formed to acquire a company or companies, through a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination. Upon the November 16, 2020 “Merger of B. Riley and Eos Energy Storage, LLC, the Company changed its name to “Eos Energy Enterprises, Inc.”

**Materially False and Misleading  
Statements Issued During the Class Period**

22. The Class Period begins on May 9, 2022. On that day, Eos issued a press release titled “Eos Energy Enterprises Secures Record-Breaking Order from Bridgelink Commodities, LLC.” Therein, the Company, in relevant part, stated:

Eos Energy Enterprises, Inc. (NASDAQ: EOSE) (“Eos”), a leading provider of safe, scalable, efficient, and sustainable zinc-based energy storage systems, today announced it entered into a master supply agreement with Bridgelink Commodities, LLC (“Bridgelink”) for proposed storage projects across Texas. Bridgelink has committed to purchase 240 MWh of energy storage capacity provided by Eos’s Znyth™ zinc-based technology, accompanied by an option to purchase long-term maintenance support, with an additional option to expand to a total of 500 MWh over a term of 3 years, representing a total order value of up to \$150 million. Bridgelink, which has over 8 GW of renewable generation projects in development, will rely on Eos technology to support energy curtailment recapture, providing resilience to the local power grid overseen by the Electric Reliability Council of Texas (“ERCOT”).

“We continue to be excited about our ability to deliver flexible energy storage solutions to the market,” said Joe Mastrangelo, Chief Executive Officer of Eos. “We take great pride in being able to partner with Bridgelink to help build the energy infrastructure of the future and are confident that our agreement will be the beginning of a fruitful partnership for many years to come.”

William Flaherty, Managing Director at Bridgelink, said, “ERCOT is a dynamic market that requires long duration storage technology to achieve success in this evolving environment. Eos’ zinc-based battery is a perfect solution for Bridgelink thanks to their U.S.-made, safe, and low opex technology. Together, Eos and Bridgelink look forward to supporting the next paradigm of a reliable ERCOT grid while adding manufacturing jobs in U.S.”

“With this partnership, our backlog grows to more than \$200 million and is rapidly approaching 1 GWh. We continue to make real progress towards our \$400 million booked order target for 2022 with a commercial opportunity pipeline of more than \$4 billion,” said Balki Iyer, Chief Commercial Officer of Eos.

The customer win follows the recent announcement that Eos will expand its Pittsburgh manufacturing facility to more than triple output to 800 MWh by year-end in order to meet production demand for its Znyth™ aqueous zinc batteries. The expansion is expected to create more than 125 green jobs and increase the facility to nearly 100,000 square feet.

23. On the same day, May 9, 2022, the Company filed its Form 10-Q with the SEC for the quarter ended March 31, 2022. Therein, the Company stated in its “Company Highlights” section:

In March 2022, the Company entered into a master supply agreement with Bridgeline Commodities, LLC (“Bridgeline”) for storage projects across Texas. Bridgeline has committed to purchase 240 MWh of energy storage capacity provided by Eos’s Znyth™ zinc-based technology, accompanied by an option to purchase long-term maintenance support, with an additional option to expand to a total of 500 MWh over a term of 3 years, representing a total order value of up to \$150 million.

24. On May 10, 2022, the Company issued a press release titled “Eos Energy Enterprises Reports First Quarter 2022 Financial Results.” Therein, the Company, in relevant part, stated:

Eos Energy Enterprises, Inc. (NASDAQ: EOSE) (“Eos”), a leading provider of safe, scalable, efficient, and sustainable zinc-based energy storage systems, today announced financial results for the first quarter ended March 31, 2022.

### **First Quarter Highlights**

- Continued commercial pipeline growth; booked orders of \$67 million year-to-date resulting in orders backlog of \$212 million with a current opportunity pipeline of over \$6 billion.
- Achieved 65 MWh of a 550 MWh annualized battery manufacturing capacity expansion plan in two months.
- \$3.3 million in revenue from four customer projects, including first Energy Block deliveries for the 80 MWh Pine Gate Renewables’ Eastover Project.
- 69% sequential increase in Energy Block volume, on a revenue recognition basis.
- Q1 ‘22 ending Energy Block bill of material cost reduced by approximately 14% vs year end 2021.
- Q1 ‘22 average Energy Block product cost lower by 7.4%, net of \$1.7 million incremental lower of cost or market inventory adjustment, versus last quarter.
- Invested \$5 million in Research and Development to improve battery performance and to reduce both the cost of the product and lifetime operating cost of our battery system and to develop future generation technology.
- Cash balance of \$55 million as of March 31, 2022.

## Recent Business Highlights

- On April 30, 2022, shipped 100th Eos Zynth™ Energy Block from Turtle Creek, PA.
- On April 28, 2022, secured a financing commitment for up to \$200 million with an affiliate of Yorkville Advisors, allowing Eos flexibility to access capital as needed to fund future growth.
- On April 27, 2022, signed a letter of intent with a leading solar developer based in the Northeast for a minimum of 300 MWh of storage capacity with a master supply agreement expected to close by June 2022.
- In March 2022, Bridgelink Commodities, LLC signed a three-year master supply agreement with a total potential order value of up to \$150 million. Minimum order commitment under the agreement for 240 MWh with an option to increase to 500 MWh and an additional option to purchase long-term service support.

Eos Chief Executive Officer Joe Mastrangelo said, “Every day we achieve important milestones in our company’s development. Our technology is positioned to fulfill a rapidly growing demand in the world’s future energy mix. I am proud that our team recently shipped the 100th Energy Block from our facility in Turtle Creek, PA in this challenging global macro environment. The timing of our capacity expansion fits nicely with our orders backlog growth and commercial opportunity pipeline acceleration.”

Mastrangelo concluded, “We are building a company ready to deliver safe, scalable, flexible, and affordable energy storage. Our manufacturing capacity expansion is on plan, we are seeing improved first-pass production yields, and we are proud to be working towards a cleaner, brighter energy future.”

25. On July 9, 2022, Eos issued a press release titled “Eos Energy Enterprises, Inc. Secures Over 1 GWh in New Orders, More Than Doubles Backlog to Over \$460 Million.” Therein, the Company, in relevant part, stated:

Eos Energy Enterprises, Inc. (NASDAQ: EOSE) (“Eos”), a leading provider of safe, scalable, efficient, and sustainable zinc-based energy storage systems, today announced the signing of two significant orders with Bridgelink Commodities, LLC (“Bridgelink”) and a leading Northeast solar developer totaling 1.1 GWh of energy storage capacity to be delivered over the next three years.

Bridgelink increased its multi-year master supply agreement (“MSA”) to 1 GWh for deliveries over the next three years with an incremental order value of \$181 million for new project installations. In addition, Eos will manufacture a separate 40MWh order valued at \$13 million for fourth quarter 2022 delivery.

“We’ve built a strong working relationship with Eos and are proud to bring American-made technology to the ERCOT market in Texas,” said Bull Flaherty, Managing Director at Bridgeline. “Eos’ technology allows us the flexibility to meet the growing demand profile of ERCOT and bring more power to US consumers when needed.”

Additionally, a 300 MWh MSA was signed with a leading Northeast solar developer for front of the meter stand-alone storage and solar plus storage applications that provide energy shifting and ancillary services with deliveries forecasted over the next three years.

Eos Znyth™ battery technology can be used for front-of-meter grid installations and behind-the-meter industrial applications among other use cases. The zinc-powered batteries can be deployed as both standalone storage and paired with renewables on the electric grid in addition to being used in commercial & industrial facilities.

“Over the past six months our opportunity pipeline increased to more than 20GWh, and we are excited to start seeing those opportunities convert into orders,” said Joe Mastrangelo, CEO of Eos. “These orders fit perfectly with our ongoing manufacturing capacity expansion which we began late last year. Growing our relationship with customers like Bridgeline demonstrates how our flexible technology allows our customers to serve a variety of use cases.”

26. On August 1, 2022, the Company filed its Form 10-Q with the SEC for the quarter ended June 30, 2022. Therein, the Company stated in its “Company Highlights” section:

In March 2022, the Company entered into a master supply agreement with Bridgeline Commodities, LLC (“Bridgeline”) for storage projects across Texas (the “Bridgeline MSA”). Bridgeline committed to purchase 240 MWh of energy storage capacity provided by Eos’ Znyth™ zinc-based battery technology, accompanied by an option to purchase long-term maintenance support, with an additional option to expand to a total of 500 MWh over a term of 3 years, representing a total order value of up to \$150 million.

\* \* \*

In June 2022, Bridgeline Commodities, LLC increased the Bridgeline master supply agreement to 1 GWh of energy storage systems for deliveries over the next three years with an incremental order value of \$181 million for new project installations and also issued a separate 40 MWh order valued at \$13 million for fourth quarter 2022 delivery.

27. On August 2, 2022, the Company issued a press release titled “Eos Energy Enterprises Reports Second Quarter 2022 Financial Results.” Therein, the Company, in relevant part, stated:

Eos Energy Enterprises, Inc. (NASDAQ: EOSE) (“Eos”), a leading provider of safe, scalable, efficient, and sustainable zinc-based energy storage systems, today announced financial results for the second quarter ended June 30, 2022.

### **Second Quarter Highlights**

- \$5.9 million in revenue, a 79 percent sequential increase and 28 percent higher compared to full year 2021 revenue.
- Booked orders in second quarter of \$257.5 million, almost 4x higher than first quarter; year-to-date booked orders now stands at \$324.7 million.
- Orders backlog more than doubled in the quarter to \$457.3 million.
- Accelerating commercial pipeline with current opportunities of approximately \$7 billion.
- Annualized manufacturing capacity as of June 30, 2022 of approximately 536 MWh, a 70 percent increase versus March 31, 2022.
- Cost of goods sold of \$36.9 million, relatively flat versus last quarter with a 66 percent increase in energy block shipments.
- Second quarter ending energy block bill of material cost reduced by approximately 24% vs year-end 2021.
- SG&A of \$19.1 million, of which \$3.2 million is non-cash.
- Invested \$5.5 million in R&D as the Company continues to design and develop Z3, a smaller, more powerful battery energy storage system.
- Cash balance of \$16.3 million as of June 30, 2022.

### **Recent Business Highlights**

- On August 1, 2022, the Company announced an \$85 million senior secured term loan credit facility. The Company is permitted to make a one-time request for up to an additional \$15 million, subject to lender consent.
- On July 25, 2022, Congressman Frank Pallone, Jr., Chairman of the House Energy and Commerce Committee, attended the unveiling of the Eos Ingenuity Lab which will expand the Company’s R&D capacity as it designs future generations of its Znyth™ aqueous battery.
- On June 30, 2022, signed two significant orders with Bridgelink Commodities, LLC and a leading Northeast solar developer totaling 1.1 GWh of energy storage capacity to be delivered over the next three years.
- On June 24, 2022, surpassed 500 MWh of cumulative energy discharged from Eos battery energy storage systems.
- On June 3, 2022, completed production of the 20,000th Eos Znyth™ battery in Turtle Creek, PA.

- On May 12, 2022, submitted Part II application for the U.S. Department of Energy's ("DOE") Renewable Energy and Efficient Energy Loan Program.

Eos Chief Executive Officer Joe Mastrangelo said, "Across the Company, the team continues to execute and deliver strong operating results consistent with our strategic plan. Our orders backlog has more than doubled, we achieved significant quarterly revenue growth, we surpassed a half gigawatt hour of production capacity, all while reducing product cost in a very challenging environment."

Mastrangelo concluded, "The world needs clean energy and we expect Eos to play a critical role in the energy transition."

28. On November 7, 2022, the Company filed its Form 10-Q with the SEC for the quarter ended September 30, 2022. Therein, the Company stated in its "Company Highlights" section:

In June 2022, Bridgelink Commodities, LLC increased the Bridgelink master supply agreement to 1 GWh of energy storage systems for deliveries over the next three years with an incremental order value of \$181 million for new project installations and also issued a separate 40 MWh order valued at \$13 million.

29. On the same day, November 7, 2022, the Company issued a press release titled "Eos Energy Enterprises Reports Third Quarter 2022 Financial Results." Therein, the Company, in relevant part, stated:

Eos Energy Enterprises, Inc. (NASDAQ: EOSE) ("Eos"), a leading provider of safe, scalable, efficient, and sustainable zinc-based long duration energy storage systems, today announced financial results for the third quarter ended September 30, 2022.

### **Third Quarter Financial Highlights**

- Revenue of \$6.1 million, \$5.3 million higher than same period last year and slightly higher sequentially; 15% increase in Energy Block units revenue recognized vs. last quarter.
- Current opportunity pipeline of \$7.3 billion, a 5% increase quarter over quarter, with year-to-date booked orders of \$324.8 million and orders backlog of \$452.2 million.
- Cost of goods sold of \$50 million driven by increased unit volume, higher logistics costs, and inefficiencies driven by capacity expansion delays.
- SG&A expense of \$14.7 million, \$4.5 million lower than last quarter attributable to reduced legal and outside services expense.

- R&D Investment of \$4.5 million, a decrease of \$1.0 million vs. last quarter, as Eos Z3™ battery development transitioned from component development and prototype testing to building first battery modules.
- Cash balance of \$38.4 million as of September 30, 2022.

### **Recent Business Highlights**

- On November 2, 2022, completed production and shipped the 184th and final Energy Block for the 80+ MWh Pine Gate Renewables Eastover Project.
- On October 31, 2022, the State of Pennsylvania notified the Company of its selection to enter into an agreement for a \$2 million grant from the Pennsylvania Redevelopment Assistance Capital Program for expansion of the Company's manufacturing facility.
- On October 31, 2022, outlined a strategy shift and issued revised full year 2022 revenue expectation of \$17-\$20 million, shifting remaining 2022 revenue into 2023 to better realize customer and Eos' Inflation Reduction Act of 2022 benefits.
- On October 28, 2022, produced the 250th Energy Block in Turtle Creek, PA; the 200th Energy Block was produced on September 9, 2022, and the 100th on May 2, 2022.
- On October 27, 2022, signed a \$13.5 million order with Indian Energy as part of the California Energy Commission's Long-Duration Energy Storage Program to fulfill a 35 MWh storage project.
- On September 25, 2022, surpassed 600 MWh cumulative energy discharged from Eos battery energy storage systems. As of November 4, 2022, cumulative energy discharged stands at 640 MWh.
- On September 21, 2022, as part of the Global Clean Energy Action Forum, the Company hosted 29 government officials from 12 countries at its manufacturing facility in Turtle Creek, PA.
- On September 13, 2022, Eos received the formal invitation to the due diligence stage of the U.S. Department of Energy's Title XVII Innovative Clean Energy Loan Guarantee Program under the Renewable Energy and Efficient Energy solicitation program.
- On September 9, 2022, the Company announced that Jeff Bornstein, former Chief Financial Officer and Vice Chairman of GE and Managing Partner at Generation Capital Partners and Whipstick Ventures joined the Company's Board of Directors.
- On August 16, 2022, the Inflation Reduction Act of 2022 was signed into law, potentially providing up to 50 percent investment tax credits for Eos customers and more than \$45 per kWh in production tax credits for Eos, beginning in 2023.
- On August 5, 2022, entered into a Sales Agreement with Cowen and Company, LLC with respect to an at-the-market offering program under which the Company may offer and sell shares of common stock of up to \$100M at its discretion.

- On July 29, 2022, the Company entered a senior secured term loan credit facility with Atlas Credit Partners; As of September 30, 2022, the current outstanding loan amount is \$94.7 million.

Eos Chief Executive Officer Joe Mastrangelo said, “We continued to ramp up production in the most challenging supply chain environment of my career. We have produced 258 Energy Blocks since opening our factory in August 2019. It took 33 months to produce our first 100 and just 6 months to manufacture the next 158. At the same time, our technology team took our time-tested chemistry and packaged it into our Eos Z3 product that will double performance at 50% lower cost.”

Mastrangelo concluded, “We believe the 10-year IRA tax program provides a long-term growth catalyst for energy storage, and we continue to see a shift to longer duration energy storage projects. Our opportunity pipeline continues to grow, and our Made in America and domestic supply chain capability uniquely positions us to not only maximize Eos’ PTC benefits, but also our customer’s ITC benefits.”

30. On February 28, 2023, the Company filed its Form 10-K with the SEC for the year ended December 31, 2022. Therein, the Company stated in its “Company Highlights” section:

In June 2022, Bridgeline Commodities, LLC increased the Bridgeline master supply agreement to 1 GWh of energy storage systems for deliveries over the next three years with an incremental order value of \$181 million for new project installations and also issued a separate 40 MWh order valued at \$13 million.

31. On the same day, February 28, 2023, the Company issued a press release titled “Eos Energy Enterprises Reports Fourth Quarter and Full Year 2022 Financial Results.” Therein, the Company, in relevant part, stated:

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 financial results for the fourth quarter and full year ended December 31, 2022.

#### **Full Year 2022 Highlights**

- Revenue of \$17.9 million compared to \$4.6 million in 2021, representing approximately 4x revenue growth year-over-year.
- Increased current opportunity pipeline by 83% year-over-year to \$7.5 billion, which includes 4GWh in LOIs.
- Costs of Goods Sold of \$153.3 million, driven by a 44% reduction in unit product cost year-over-year.

- Booked orders increased 2.5x to \$338.6 million resulting in an orders backlog of \$463.8 million as of December 31, 2022 compared to orders backlog of \$147.5 million as of December 31, 2021.

#### **Fourth Quarter Highlights**

- Revenue of \$2.7 million, driven by delivery of the 184th and final Energy Block for the 80 MWh Pine Gate Renewables Eastover Project.
- Company deferred production into 2023 to better realize customers' and Eos's Inflation Reduction Act benefits.
- Cost of Goods Sold of \$30.8 million, a decrease of 38% compared to Q3 2022 as a result of lower sales volume.
- SG&A expense of \$12.6 million, a decrease of \$2.1 million, as compared to Q3 2022.
- Cash balance of \$17.1 million as of December 31, 2022.

#### **Recent Business Highlights**

- The Company continues to progress through the due diligence process with the Department of Energy Loan Programs Office and is in active negotiations on a term sheet for its potential Title XVII loan.
- On February 2, 2023, the Company announced an initial 47 MWh renewables plus storage project with one of the largest operators of energy storage in the US, along with a separate long-term agreement that contributes 4GWh to the Company's Pipeline.
- On February 9, 2023, completed the first Eos Cube™ powered by the next-generation Eos Z3™ battery.
- On February 21, 2023, the Company achieved UL 9540A for the next generation Eos Z3™ battery.

Eos Chief Executive Officer Joe Mastrangelo said, "2022 was a year of continued growth. We were able to scale our factory and ramp up production with a 335% increase in shipments while developing and producing a less capital intensive, more efficient, denser, and lower-cost battery, the Eos Z3."

Mastrangelo concluded, "Heading into 2023, we believe we are in one of the strongest positions in our company's history as we continue to see a shift in the demand for longer duration energy storage. The passage of the IRA and our progression through the DOE loan due diligence phase provides the growth catalysts to expand our increasingly commercially viable technology."

32. On May 9, 2023, the Company issued a press release titled "Eos Energy Enterprises

Reports First Quarter 2023 Financial Results." Therein, the Company, in relevant part, stated:

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 financial results for the first quarter ended March 31, 2023.

### **First Quarter Financial Highlights**

- \$8.8 million revenue, compared to \$3.3 million in 1Q 2022, a 168% increase year-over-year.
- Cost of Goods Sold of \$26.9 million, a decrease of 24% compared to 1Q 2022, representing a 25% reduction in product unit cost year-over-year.
- Operating expenses of \$19.4 million remained flat year-over-year.
- \$16.1 million cash balance on March 31, 2023, compared to \$17.1 million on December 31, 2022.
- Booked \$86.3 million in orders, resulting in an order backlog of \$535.1 million as of March 31, 2023, an increase of more than 2.5x versus 1Q 2022.

### **Recent Business Highlights**

- Signed a 300 MWh Master Supply Agreement with Carson Hybrid Energy Storage (“CHES”).
- Completed final new Gen 2.3 Energy Block shipments; transitioning to Eos Z3™ battery production.
- Achieved 1 GWh of discharged energy from field installations, with 70% occurring in 2023.
- On April 14, 2023, the Company successfully completed a \$40 million capital raise; planned use of proceeds includes factory automation and capacity expansion.
- Substantially completed due diligence for Department of Energy Title XVII loan application; actively negotiating the final provisions of a term sheet with the Loan Program Office.

Eos Chief Executive Officer Joe Mastrangelo said, "The Eos team delivered a solid first quarter, with continued backlog growth, strong manufacturing performance, and 1 GWh of discharged energy in the field, all while raising additional capital that enables us to scale operations and accelerate our market competitiveness."

Mastrangelo continued, "We are positioning ourselves to transition to the Z3 Energy Cube, which combines our patented electrolyte with a new mechanical design that is easier to build at a lower cost. We are continuing to scale operations to meet the world's future energy needs."

33. The above statements identified in ¶¶ 22-32 were materially false and/or misleading, and failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, Defendants failed to disclose to investors: (1) that Bridgeline is

connected to a group whose assets were seized by a creditor and sold in an auction; (2) that, as such, Bridgeline's commitment and ability to purchase Eos products was not as secure as Eos had led investors to believe; (3) that, as such, Eos's backlog was overstated; (4) that such overstatement negatively impacts Eos's ability to secure a loan from the Department of Energy; and (5) that, as a result of the foregoing, Defendants' positive statements about the Company's business, operations, and prospects were materially misleading and/or lacked a reasonable basis.

### **Disclosures at the End of the Class Period**

34. On July 27, 2023, during market hours, Iceberg Research ("Iceberg") published a report titled "62% OF \$EOSE'S BACKLOG IS WITH FINANCIALLY DISTRESSED BRIDGELINK WHOSE RENEWABLE ENERGY ASSETS WERE FORECLOSED AND AUCTIONED OFF IN MAY." Therein, Iceberg summarized their findings, stating in relevant part:

As a company with abysmal financials, the fate of EOS Energy Enterprises rests on its touted 2.2 GWh energy storage system backlog, which EOS valued at \$535 million at the end of March 2023. On Twitter, those who pump the stock relentlessly use the backlog as their rallying cry.

We are 100% confident that the backlog is fake. In the past, we exposed International Electric Power, LLC ("IEP"), a dubious counterparty that signed a 1 GWh contract. Ultimately, EOS had to provide financial assistance to facilitate the IEP purchase of a significantly scaled-down order.

This unsettling practice persists till today. One customer, Bridgeline Commodities, accounts for half of EOS's backlog by MWh or ~62% (\$331 million) of its total dollar value. The relationship with Bridgeline began in March 2022 with an initial order of up to 500 MWh, and later in June 2022, the contract was enlarged to 1 GWh.

We decided to dig into this customer's background and uncovered a group whose assets were recently seized by a creditor and sold in an auction.

In March 2022, its parent company Bridgeline Power ("Bridgeline") successfully closed a \$200 million senior secured loan facility with private lender Crayhill Capital Management, receiving \$26.3 million on the closing date.

(b) Initial Advance. On the Closing Date, on the terms and subject to the conditions of this Agreement (including the satisfaction or waiver of each of the conditions precedent set forth in Section 6.1 and Section 6.2), Lenders shall make an initial Advance to Borrower in the aggregate principal amount of Twenty-six million two hundred and sixty thousand nine hundred and fifty-three Dollars and eighty cents (\$26,260,953.80) (the “Initial Advance”), which shall be funded in accordance with Section 2.4.

*Source: Senior Secured Loan Agreement and Forbearance Agreement dated 30 September 2022 –*

*(Extracted from the New York State Unified Court System website)*

After just two months, Bridgelink defaulted on the loan facility, as shown in documents filed with the New York Supreme Court in April 2023 (Link to New York State Unified Court System – case 652029/2023). The outstanding loan balance was \$40.7 million as of 20 September 2022.

(b) The Bridgelink Parties agree and acknowledge that:

(i) as result of the Specified Defaults and pursuant to Section 4.4(b) of the Existing Loan Agreement, interest on the Loan began to accrue at the Default Rate as of May 30, 2022; and

*Source: First Amendment to Senior Secured Loan Agreement and Forbearance Agreement dated 30 September 2022*

*(Extracted from the New York State Unified Court System website)*

Within the court filings is a letter from Crayhill to Bridgelink dated 30 September 2022. While the lender initially chose to enter into a forbearance agreement, this was quickly terminated after Crayhill discovered that Bridgelink had allowed ‘multiple impermissible’ claims on assets. Crayhill called this a ‘blatant violation’ of the loan agreement’s terms.

After entering into the Forbearance Agreement, Knights Hill obtained lien searches on the Parent, the Borrower and each ProjectCo and discovered additional Events of Default (the “Additional Events of Default”) not covered by Knights Hill’s July 1, 2022 and August 9, 2022 notices (the “Previous Notices”) and not disclosed by the Parent or the Borrower. The lien searches revealed that the Parent, the Borrower, and several ProjectCos have granted multiple impermissible Liens on their assets in breach of the Loan Agreement, including (x) the Collateral pledged to Knights Hill under the Loan Documents and (y) the Projects. These liens, which are identified on Exhibit A hereto, are in blatant violation of Sections 9.2, 8.19(a)(xiv), and 8.19(a)(xvii) of the Loan Agreement. The violation under Section 9.2, in turn, constitutes an immediate Event of Default under Section 11.1(b) of the Loan Agreement.

*Source: Letter from Crayhill to Bridgelink dated 30 September 2022 (Extracted from the New York State Unified Court System website)*

Crayhill then seized collateral through its fund Knights Hill Ireland II DAC. Subsequently in April 2023, Crayhill advertised that Bridgelink's membership interests in various project companies were to be sold through a public auction (Pg 7).

**NOTICE OF PUBLIC SALE OF COLLATERAL**

Please take notice that (i) 100% of Bridgelink Renewable Energy Development II, LLC's membership interests in the following project companies (collectively, the "Subsidiaries"): Armadillo Solar, LLC (d/b/a Morning Glory Solar); Neal Solar, LLC; Old Hickory Solar LLC; Panther Solar, LLC; Skeeter Solar, LLC; Stark Battery, LLC; Switchgrass Solar, LLC; BT Solterra Solar, LLC; Rockefeller Solar, LLC; Cottonmouth Solar, LLC, and Bridgelink Cave Springs LLC as well as (ii) all of the assets of BT Solterra Solar, LLC, Rockefeller Solar, LLC, and Skeeter Solar, LLC will be offered for sale at a public auction under Section 9-610 of the Uniform Commercial Code as enacted in the State of New York and sold to the highest **qualified bidder** on Friday, April 28, 2023 at 10:00 a.m. (EST) at the law offices of Allen & Overy LLP, 1221 Avenue of the Americas, New York, NY, 10020. The Subsidiaries own, operate, or conduct business related to solar power-generating and battery facilities.

This sale is held to enforce the rights of Knights Hill Ireland II DAC (the "Secured Party") under that certain Pledge Agreement, dated as of March 31, 2022 and that certain Security Agreement, dated September 30, 2022. The Secured Party reserves the right to reject all bids and terminate or adjourn the sale to another time, without further publication.

The sale will be held on an "**as is, where is**" basis, without any representations or warranties of any kind, whether express or implied. There is no warranty relating to title, possession, quiet enjoyment, or the like in this disposition. Secured Party reserves the right to credit bid at the auction and to assign its bid.

Interested parties who would like additional information regarding the collateral, the requirements to be a "qualified bidder", the terms of the sale, and/or the address for the due diligence website should contact Adil Sener or Alexander Heiman of PEI Global Partners LLC by phone at (212) 970-5100 or by email at Project\_Denali\_PEI@peigp.com.

*Source: April 2023 issue of Power Finance & Risk Magazine*

Bridgelink tried to prevent Crayhill from enforcing its rights by filing a lawsuit. However, despite its efforts, the auction proceeded as planned on 5 May 2023.

3. The temporary stay of the UCC Sale provided for in the Interim Order entered by the Court on April 27, 2023 [NYSCEF.Doc. No. 13] is lifted, and Defendants may proceed with the UCC Sale scheduled at 10:00 a.m. (ET) on Friday, May 5, 2023.

4. This Stipulation may be executed in counterparts and by PDF and/or facsimile signatures with the same force and effect as originals.

Dated: May 4, 2023  
New York, New York

PRYOR CASHMAN LLP  
*Attorneys for Plaintiffs*  
*BridgeLink Engineering, LLC; BridgeLink Renewable Energy Development II, LLC; BridgeLink Renewable Energy Investments II, LLC; BridgeLink Renewable Energy Investments, LLC; BridgeLink Investments, LLC; BridgeLink Power Holdings, LLC; Cole Johnson; and Cord Johnson*

Dated: May 4, 2023  
New York, New York

ALLEN & OVERY LLP  
*Attorneys for Defendants*  
*Knights Hill Ireland II DAC; Crayhill Principal Strategies Fund II LP; Crayhill Principal Strategies Fund US II-4 LP; and Crayhill Capital Management LP*

*Source: Stipulation to lift the stay of the UCC sale (Extracted from the New York State Unified Court System website)*

Following the auction, Bridgeline tried to seal the legal documents, presumably to conceal its disastrous financial situation. The judge rejected this request.

SUPREME COURT OF THE STATE OF NEW YORK  
NEW YORK COUNTY

PRESENT: HON. ARLENE P. BLUTH PART 14  
*Justice*

-----X  
BRIDGELINK ENGINEERING, LLC, BRIDGELINK  
RENEWABLE ENERGY DEVELOPMENT II,  
LLC, BRIDGELINK RENEWABLE ENERGY INVESTMENTS  
II, LLC, BRIDGELINK RENEWABLE ENERGY  
INVESTMENTS, LLC, BRIDGELINK INVESTMENTS,  
LLC, BRIDGELINK POWER HOLDINGS, LLC, COLE  
JOHNSON, CORD JOHNSON

Plaintiff,

- v -

KNIGHTS HILL IRELAND II DAC, CRAYHILL PRINCIPAL  
STRATEGIES FUND II LP, CRAYHILL PRINCIPAL  
STRATEGIES FUND US II-4 LP, CRAYHILL CAPITAL  
MANAGEMENT LP,

Defendant.

INDEX NO. 652029/2023  
MOTION DATE N/A  
MOTION SEQ. NO. 002

DECISION + ORDER ON  
MOTION

-----X  
The following e-filed documents, listed by NYSCEF document number (Motion 002) 23, 24, 25, 26, 27  
were read on this motion to/for SEAL

Plaintiffs' motion to seal nearly the entire docket is denied.

Source: Decision + order on motion (Extracted from the New York State Unified Court System website)

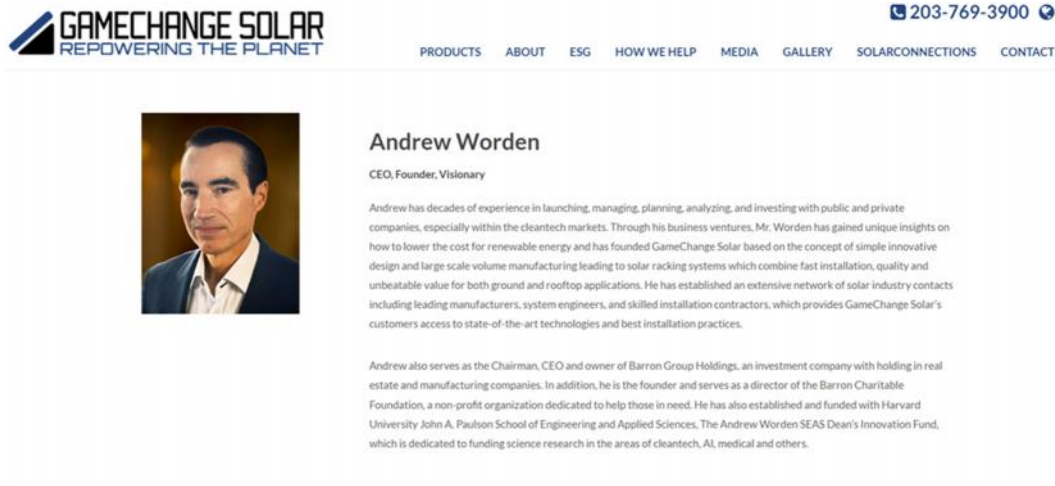
Nowhere has EOS disclosed this crucial information, whether through an 8-K filing, or any other means. Instead, EOS upped its Bridgelink “orders” from 500 MWh to 1 GWh in June 2022.

We wonder how EOS can still present Bridgelink as a major client. The batteries ordered by Bridgelink were intended for renewable energy assets which have now been auctioned off. Yet, EOS continues to include Bridgelink in its backlog, and is likely to have made the same representations when applying for the Department of Energy loan.

The case of Crayhill is not the only instance of Bridgelink-related companies and its principals defaulting on obligations. In August 2021, Bridgelink Engineering borrowed a total of \$34 million from Cadence Bank and Century Bank, while related companies Bighorn Construction, Bighorn Sand, Bighorn Investments, and principals Cole Wayne Johnson and Cord Henry Johnson provided guarantees on the loan. Soonafter, the lenders sued because Bridgelink Engineering failed to make scheduled quarterly payments due on 31 December 2022 and 31 March 2023. The complaint, filed on 15 June 2023, stated that Bridgelink owed the banks \$36.2 million as of 9 June 2023. The case is still ongoing.

Bridgeline, despite its poor financial standing, seems to lend its name to large contracts with questionable counterparties. In July 2022, it ordered 400 MW of solar trackers from Connecticut-based GameChange Solar (“GCS”).

GameChange Solar’s CEO is Andrew Worden. In 1990, and just two years out of college, Worden was accused of defrauding several brokerage firms out of more than \$130,000. He was convicted of wire fraud in 1995 but was eventually pardoned by Trump in 2020.




The screenshot shows the GameChange Solar website header with the logo "GAMECHANGE SOLAR REPOWERING THE PLANET" and a phone number "203-769-3900". Below the header is a navigation menu with links for PRODUCTS, ABOUT, ESG, HOW WE HELP, MEDIA, GALLERY, SOLARCONNECTIONS, and CONTACT. The main content area features a portrait of Andrew Worden on the left and a bio on the right. The bio identifies him as CEO, Founder, and Visionary, and describes his experience in launching, managing, planning, analyzing, and investing with public and private companies, especially within the cleantech markets. It also mentions his role as Chairman, CEO, and owner of Barron Group Holdings, and his involvement with the Barron Charitable Foundation and Harvard University.

*Source: GameChange Solar website*


In the 2000s, Worden and his firm Barron Capital invested in the private placements of many Chinese reverse-takeovers. In 2010, financial media company Barron’s advised investors to ‘steer clear of stocks like those in the PIPE deals involving Andrew B. Worden’s Barron Capital’. The report showed that the median one-year return for 11 China stocks associated with Worden underperformed the Halter USX China Index by 30%. The three-year return for seven others lagged the index by over 75%.

Coincidentally, American Resources CEO Mark Jensen — who has been extensively covered by Iceberg Research — worked for Worden from April 2005 to April 2007, according to LinkedIn. This is probably where Jensen learnt his craft.

 **Mark Jensen**  
 Chairman / CEO at ReElement Technologies LLC; American Resources Corporation; Chairman at Land Betterment Corporation  
 Kentucky


American Carbon is a supplier of raw materials to the rapidly growing global infrastructure marketplace. The company's primary focus is on the extraction, processing, transportation and selling of metallurgical coal and pulverized coal injection (PCI) to the steel and specialty alloy metal industry. The company's operations are based in the Central Appalachian basin of eastern Kentucky and West Virginia where premium quality metallurgical products are located.

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 **CEO**  
 Quest LNG LLC  
 Jan 2011 - Present · 12 yrs 7 mos  
 Christiansted, VI

Quest LNG is a United States Virgin Islands based company formed to supply the Virgin Islands (and the greater Caribbean) with Liquefied Natural Gas (LNG) as an alternative and cost-effective fuel source for power generation, industrial use and vehicle fuel. Quest LNG is managed by an experienced and premiere team of professionals, combining the technical, management and financial expertise to a common platform

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 **Founder / Member**  
 T Squared Partners LP  
 Apr 2007 - Present · 16 yrs 4 mos

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 **Principal / Portfolio Manager**  
 Barron Partners LP  
 Apr 2005 - Apr 2007 · 2 yrs 1 mo

*Source: LinkedIn*

Once again, our findings completely undermine the authenticity of EOS Energy’s promoted backlog. The company’s prospects appear increasingly precarious and the veracity of its claims should come under severe scrutiny. We have shared these findings and other relevant information with the DOE, and other stakeholders.

35. On this news, the Company’s stock price fell \$0.83 per share, or 23.9%, to close at \$2.65 per share on July 27, 2023, on unusually heavy trading volume.

36. On July 27, 2023, after the market closed, Eos issued a press release titled “Eos Energy Enterprises Provides Preliminary Results & Issues Statement Regarding Its Customer Commitments and Backlog.” Therein, the Company, in relevant part, stated:

Eos Energy Enterprises, Inc. (NASDAQ: EOSE) (“Eos” or the “Company”), a leading provider of safe, scalable, efficient, and sustainable zinc-based energy storage systems, today announced that it expects to record revenue of \$0.2 million for the quarter ended June 30, 2023, as the Company transitions manufacturing to the Eos Z3™ battery, with expected second quarter gross margin to improve by 20% to 50% over the prior quarter, cash balance (excluding restricted cash) of \$23.2 million as of June 30, 2023, and booked orders of \$86.9 million for the first half of 2023.

The Company also issues the following response to statements made about its customer backlog in external reports, republished and amplified on social media, regarding two of the Company's customers:

International Electric Power, LLC ("IEP"), who was referred to as a "dubious counterparty", has partnered with Eos since 2020 to co-develop two energy projects in Texas, with Eos providing upfront funding that was repaid when the project secured financing. The first of these projects is currently scheduled to break ground later this summer with product shipments expected in 2023.

The report also referred to legal proceedings involving multiple Bridgelink legal entities. The Company believes that its customer, Bridgelink Commodities, LLC, is a separate legal entity which is not implicated in the legal matters highlighted in today's statements. This customer, representing 45% of the Company's backlog, reconfirmed today that it continues to build pipeline and is actively seeking financing for energy storage projects covered by Eos's multi-year Master Supply Agreement.

Eos' commercial pipeline remains strong and continues to grow in line with independent third party market forecasts. The Company believes its long-term business fundamentals are strongly supported by the secular shift occurring in the energy industry requiring long duration energy storage.

The Company continues to progress through the Department of Energy (DOE) Loan Programs Office's (LPO) process for its Title XVII loan and is awaiting a conditional approval decision which may be taking longer due to changes from the recent Interim Final Rule announced in May. If approved, the conditional commitment would be the result of a thorough and rigorous due diligence program conducted by the LPO and multiple external industry experts to evaluate the Company's technology and its ability to meet certain market and financial expectations.

The Eos Z3 transition is fully underway, and the first semi-automated battery manufacturing line is installed and ready to start commercial production. Eos Z3 batteries utilize the same chemistry, which has over 3 million cycles, that incorporates a new mechanical design aimed at improving performance, lowering cost and increasing manufacturability. The Company expects to deliver its first customer orders from this line in the third quarter. Eos's progression to the Z3 battery incorporates valuable lessons learned from the past 15 years into a new system design which the Company expects to result in efficiencies as it develops its new state-of-the-art manufacturing line.

37. On this news, the Company's stock price fell \$0.39 per share, or 14.7%, to close at \$2.26 per share on July 28, 2023, on unusually heavy trading volume.

## CLASS ACTION ALLEGATIONS

38. Plaintiff brings this action as a class action pursuant to Federal Rule of Civil Procedure 23(a) and (b)(3) on behalf of a class, consisting of all persons and entities that purchased or otherwise acquired Eos securities between May 9, 2022 and July 27, 2023, inclusive, and who were damaged thereby (the “Class”). Excluded from the Class are Defendants, the officers and directors of the Company, at all relevant times, members of their immediate families and their legal representatives, heirs, successors, or assigns, and any entity in which Defendants have or had a controlling interest.

39. The members of the Class are so numerous that joinder of all members is impracticable. Throughout the Class Period, Eos’s shares actively traded on the NASDAQ. While the exact number of Class members is unknown to Plaintiff at this time and can only be ascertained through appropriate discovery, Plaintiff believes that there are at least hundreds or thousands of members in the proposed Class. Millions of Eos shares were traded publicly during the Class Period on the NASDAQ. Record owners and other members of the Class may be identified from records maintained by Eos or its transfer agent and may be notified of the pendency of this action by mail, using the form of notice similar to that customarily used in securities class actions.

40. Plaintiff’s claims are typical of the claims of the members of the Class as all members of the Class are similarly affected by Defendants’ wrongful conduct in violation of federal law that is complained of herein.

41. Plaintiff will fairly and adequately protect the interests of the members of the Class and has retained counsel competent and experienced in class and securities litigation.

42. Common questions of law and fact exist as to all members of the Class and predominate over any questions solely affecting individual members of the Class. Among the questions of law and fact common to the Class are:

(a) whether the federal securities laws were violated by Defendants' acts as alleged herein;

(b) whether statements made by Defendants to the investing public during the Class Period omitted and/or misrepresented material facts about the business, operations, and prospects of Eos; and

(c) to what extent the members of the Class have sustained damages and the proper measure of damages.

43. A class action is superior to all other available methods for the fair and efficient adjudication of this controversy since joinder of all members is impracticable. Furthermore, as the damages suffered by individual Class members may be relatively small, the expense and burden of individual litigation makes it impossible for members of the Class to individually redress the wrongs done to them. There will be no difficulty in the management of this action as a class action.

#### **UNDISCLOSED ADVERSE FACTS**

44. The market for Eos's securities was open, well-developed and efficient at all relevant times. As a result of these materially false and/or misleading statements, and/or failures to disclose, Eos's securities traded at artificially inflated prices during the Class Period. Plaintiff and other members of the Class purchased or otherwise acquired Eos's securities relying upon the integrity of the market price of the Company's securities and market information relating to Eos, and have been damaged thereby.

45. During the Class Period, Defendants materially misled the investing public, thereby inflating the price of Eos's securities, by publicly issuing false and/or misleading statements and/or omitting to disclose material facts necessary to make Defendants' statements, as set forth herein, not false and/or misleading. The statements and omissions were materially false and/or misleading

because they failed to disclose material adverse information and/or misrepresented the truth about Eos's business, operations, and prospects as alleged herein.

46. At all relevant times, the material misrepresentations and omissions particularized in this Complaint directly or proximately caused or were a substantial contributing cause of the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Eos's financial well-being and prospects. These material misstatements and/or omissions had the cause and effect of creating in the market an unrealistically positive assessment of the Company and its financial well-being and prospects, thus causing the Company's securities to be overvalued and artificially inflated at all relevant times. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at artificially inflated prices, thus causing the damages complained of herein when the truth was revealed.

#### **LOSS CAUSATION**

47. Defendants' wrongful conduct, as alleged herein, directly and proximately caused the economic loss suffered by Plaintiff and the Class.

48. During the Class Period, Plaintiff and the Class purchased Eos's securities at artificially inflated prices and were damaged thereby. The price of the Company's securities significantly declined when the misrepresentations made to the market, and/or the information alleged herein to have been concealed from the market, and/or the effects thereof, were revealed, causing investors' losses.

#### **SCIENTER ALLEGATIONS**

49. As alleged herein, Defendants acted with scienter since Defendants knew that the public documents and statements issued or disseminated in the name of the Company were

materially false and/or misleading; knew that such statements or documents would be issued or disseminated to the investing public; and knowingly and substantially participated or acquiesced in the issuance or dissemination of such statements or documents as primary violations of the federal securities laws. As set forth elsewhere herein in detail, the Individual Defendants, by virtue of their receipt of information reflecting the true facts regarding Eos, their control over, and/or receipt and/or modification of Eos's allegedly materially misleading misstatements and/or their associations with the Company which made them privy to confidential proprietary information concerning Eos, participated in the fraudulent scheme alleged herein.

**APPLICABILITY OF PRESUMPTION OF RELIANCE  
(FRAUD-ON-THE-MARKET DOCTRINE)**

50. The market for Eos's securities was open, well-developed and efficient at all relevant times. As a result of the materially false and/or misleading statements and/or failures to disclose, Eos's securities traded at artificially inflated prices during the Class Period. On June 28, 2023, the Company's share price closed at a Class Period high of \$5.03 per share. Plaintiff and other members of the Class purchased or otherwise acquired the Company's securities relying upon the integrity of the market price of Eos's securities and market information relating to Eos, and have been damaged thereby.

51. During the Class Period, the artificial inflation of Eos's shares was caused by the material misrepresentations and/or omissions particularized in this Complaint causing the damages sustained by Plaintiff and other members of the Class. As described herein, during the Class Period, Defendants made or caused to be made a series of materially false and/or misleading statements about Eos's business, prospects, and operations. These material misstatements and/or omissions created an unrealistically positive assessment of Eos and its business, operations, and prospects, thus causing the price of the Company's securities to be artificially inflated at all relevant times,

and when disclosed, negatively affected the value of the Company shares. Defendants' materially false and/or misleading statements during the Class Period resulted in Plaintiff and other members of the Class purchasing the Company's securities at such artificially inflated prices, and each of them has been damaged as a result.

52. At all relevant times, the market for Eos's securities was an efficient market for the following reasons, among others:

(a) Eos shares met the requirements for listing, and was listed and actively traded on the NASDAQ, a highly efficient and automated market;

(b) As a regulated issuer, Eos filed periodic public reports with the SEC and/or the NASDAQ;

(c) Eos regularly communicated with public investors via established market communication mechanisms, including through regular dissemination of press releases on the national circuits of major newswire services and through other wide-ranging public disclosures, such as communications with the financial press and other similar reporting services; and/or

(d) Eos was followed by securities analysts employed by brokerage firms who wrote reports about the Company, and these reports were distributed to the sales force and certain customers of their respective brokerage firms. Each of these reports was publicly available and entered the public marketplace.

53. As a result of the foregoing, the market for Eos's securities promptly digested current information regarding Eos from all publicly available sources and reflected such information in Eos's share price. Under these circumstances, all purchasers of Eos's securities during the Class Period suffered similar injury through their purchase of Eos's securities at artificially inflated prices and a presumption of reliance applies.

54. A Class-wide presumption of reliance is also appropriate in this action under the Supreme Court’s holding in *Affiliated Ute Citizens of Utah v. United States*, 406 U.S. 128 (1972), because the Class’s claims are, in large part, grounded on Defendants’ material misstatements and/or omissions. Because this action involves Defendants’ failure to disclose material adverse information regarding the Company’s business operations and financial prospects—information that Defendants were obligated to disclose—positive proof of reliance is not a prerequisite to recovery. All that is necessary is that the facts withheld be material in the sense that a reasonable investor might have considered them important in making investment decisions. Given the importance of the Class Period material misstatements and omissions set forth above, that requirement is satisfied here.

#### **NO SAFE HARBOR**

55. The statutory safe harbor provided for forward-looking statements under certain circumstances does not apply to any of the allegedly false statements pleaded in this Complaint. The statements alleged to be false and misleading herein all relate to then-existing facts and conditions. In addition, to the extent certain of the statements alleged to be false may be characterized as forward looking, they were not identified as “forward-looking statements” when made and there were no meaningful cautionary statements identifying important factors that could cause actual results to differ materially from those in the purportedly forward-looking statements. In the alternative, to the extent that the statutory safe harbor is determined to apply to any forward-looking statements pleaded herein, Defendants are liable for those false forward-looking statements because at the time each of those forward-looking statements was made, the speaker had actual knowledge that the forward-looking statement was materially false or misleading, and/or the forward-looking statement was authorized or approved by an executive officer of Eos who knew that the statement was false when made.

**FIRST CLAIM**

**Violation of Section 10(b) of The Exchange Act and  
Rule 10b-5 Promulgated Thereunder  
Against All Defendants**

56. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

57. During the Class Period, Defendants carried out a plan, scheme and course of conduct which was intended to and, throughout the Class Period, did: (i) deceive the investing public, including Plaintiff and other Class members, as alleged herein; and (ii) cause Plaintiff and other members of the Class to purchase Eos's securities at artificially inflated prices. In furtherance of this unlawful scheme, plan and course of conduct, Defendants, and each defendant, took the actions set forth herein.

58. Defendants (i) employed devices, schemes, and artifices to defraud; (ii) made untrue statements of material fact and/or omitted to state material facts necessary to make the statements not misleading; and (iii) engaged in acts, practices, and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities in an effort to maintain artificially high market prices for Eos's securities in violation of Section 10(b) of the Exchange Act and Rule 10b-5. All Defendants are sued either as primary participants in the wrongful and illegal conduct charged herein or as controlling persons as alleged below.

59. Defendants, individually and in concert, directly and indirectly, by the use, means or instrumentalities of interstate commerce and/or of the mails, engaged and participated in a continuous course of conduct to conceal adverse material information about Eos's financial well-being and prospects, as specified herein.

60. Defendants employed devices, schemes and artifices to defraud, while in possession of material adverse non-public information and engaged in acts, practices, and a course

of conduct as alleged herein in an effort to assure investors of Eos's value and performance and continued substantial growth, which included the making of, or the participation in the making of, untrue statements of material facts and/or omitting to state material facts necessary in order to make the statements made about Eos and its business operations and future prospects in light of the circumstances under which they were made, not misleading, as set forth more particularly herein, and engaged in transactions, practices and a course of business which operated as a fraud and deceit upon the purchasers of the Company's securities during the Class Period.

61. Each of the Individual Defendants' primary liability and controlling person liability arises from the following facts: (i) the Individual Defendants were high-level executives and/or directors at the Company during the Class Period and members of the Company's management team or had control thereof; (ii) each of these defendants, by virtue of their responsibilities and activities as a senior officer and/or director of the Company, was privy to and participated in the creation, development and reporting of the Company's internal budgets, plans, projections and/or reports; (iii) each of these defendants enjoyed significant personal contact and familiarity with the other defendants and was advised of, and had access to, other members of the Company's management team, internal reports and other data and information about the Company's finances, operations, and sales at all relevant times; and (iv) each of these defendants was aware of the Company's dissemination of information to the investing public which they knew and/or recklessly disregarded was materially false and misleading.

62. Defendants had actual knowledge of the misrepresentations and/or omissions of material facts set forth herein, or acted with reckless disregard for the truth in that they failed to ascertain and to disclose such facts, even though such facts were available to them. Such defendants' material misrepresentations and/or omissions were done knowingly or recklessly and

for the purpose and effect of concealing Eos's financial well-being and prospects from the investing public and supporting the artificially inflated price of its securities. As demonstrated by Defendants' overstatements and/or misstatements of the Company's business, operations, financial well-being, and prospects throughout the Class Period, Defendants, if they did not have actual knowledge of the misrepresentations and/or omissions alleged, were reckless in failing to obtain such knowledge by deliberately refraining from taking those steps necessary to discover whether those statements were false or misleading.

63. As a result of the dissemination of the materially false and/or misleading information and/or failure to disclose material facts, as set forth above, the market price of Eos's securities was artificially inflated during the Class Period. In ignorance of the fact that market prices of the Company's securities were artificially inflated, and relying directly or indirectly on the false and misleading statements made by Defendants, or upon the integrity of the market in which the securities trades, and/or in the absence of material adverse information that was known to or recklessly disregarded by Defendants, but not disclosed in public statements by Defendants during the Class Period, Plaintiff and the other members of the Class acquired Eos's securities during the Class Period at artificially high prices and were damaged thereby.

64. At the time of said misrepresentations and/or omissions, Plaintiff and other members of the Class were ignorant of their falsity, and believed them to be true. Had Plaintiff and the other members of the Class and the marketplace known the truth regarding the problems that Eos was experiencing, which were not disclosed by Defendants, Plaintiff and other members of the Class would not have purchased or otherwise acquired their Eos securities, or, if they had acquired such securities during the Class Period, they would not have done so at the artificially inflated prices which they paid.

65. By virtue of the foregoing, Defendants violated Section 10(b) of the Exchange Act and Rule 10b-5 promulgated thereunder.

66. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and the other members of the Class suffered damages in connection with their respective purchases and sales of the Company's securities during the Class Period.

## **SECOND CLAIM**

### **Violation of Section 20(a) of The Exchange Act Against the Individual Defendants**

67. Plaintiff repeats and re-alleges each and every allegation contained above as if fully set forth herein.

68. Individual Defendants acted as controlling persons of Eos within the meaning of Section 20(a) of the Exchange Act as alleged herein. By virtue of their high-level positions and their ownership and contractual rights, participation in, and/or awareness of the Company's operations and intimate knowledge of the false financial statements filed by the Company with the SEC and disseminated to the investing public, Individual Defendants had the power to influence and control and did influence and control, directly or indirectly, the decision-making of the Company, including the content and dissemination of the various statements which Plaintiff contends are false and misleading. Individual Defendants were provided with or had unlimited access to copies of the Company's reports, press releases, public filings, and other statements alleged by Plaintiff to be misleading prior to and/or shortly after these statements were issued and had the ability to prevent the issuance of the statements or cause the statements to be corrected.

69. In particular, Individual Defendants had direct and supervisory involvement in the day-to-day operations of the Company and, therefore, had the power to control or influence the

particular transactions giving rise to the securities violations as alleged herein, and exercised the same.

70. As set forth above, Eos and Individual Defendants each violated Section 10(b) and Rule 10b-5 by their acts and omissions as alleged in this Complaint. By virtue of their position as controlling persons, Individual Defendants are liable pursuant to Section 20(a) of the Exchange Act. As a direct and proximate result of Defendants' wrongful conduct, Plaintiff and other members of the Class suffered damages in connection with their purchases of the Company's securities during the Class Period.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for relief and judgment, as follows:

(a) Determining that this action is a proper class action under Rule 23 of the Federal Rules of Civil Procedure;

(b) Awarding compensatory damages in favor of Plaintiff and the other Class members against all defendants, jointly and severally, for all damages sustained as a result of Defendants' wrongdoing, in an amount to be proven at trial, including interest thereon;

(c) Awarding Plaintiff and the Class their reasonable costs and expenses incurred in this action, including counsel fees and expert fees; and

(d) Such other and further relief as the Court may deem just and proper.

#### **JURY TRIAL DEMANDED**

Plaintiff hereby demands a trial by jury.

Dated: July 31, 2023

By: \_\_\_\_\_

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