Thank you Charlie, and good morning, and good afternoon to everyone listening in. Thank you for joining today’s webcast to discuss Wallbox’s third quarter 2023 results. This event is being broadcasted over the web and can be accessed from the Investor section of our website at investors.wallbox.com.

I am joined today by Enric Asunció, Wallbox’s CEO, and Jordi Lainz, our CFO. Earlier today, we issued our press release announcing results from the third quarter period ended September 30th, 2023, which can also be found on our website.

Before we begin, I’d like to remind everyone that certain statements made on today’s call are forward-looking, that may be subject to risks and uncertainties relating to future events and/or the future financial performance of the company. Actual results could differ materially from those anticipated.

The risk factors that may affect results are detailed in the company’s most recent public filings with the SEC, including in the Annual Report on Form 20-F for the fiscal year ended December 31, 2022 filed on March 31, 2023.

We will be presenting unaudited financial statements in IFRS format that reflect management’s best assessment of actual results. Also, please note that we use certain non-IFRS financial measures on this call and reconciliations of these measures are included in the presentation posted on the Investor section of our website.

Also, a copy of these prepared remarks can be obtained from the investor relations website, under the Quarterly Results section, so you can more easily follow along with us today.
So with that out of the way, I'll turn it over to Enric.

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**Enric Asunción**

*Chief Executive Officer*

**SLIDE 3: What We’ll Cover Today**

Thank you, Matt, and thanks everyone for joining us today. In addition to reviewing highlights from the third quarter 2023, we’ll spend some time discussing how the current EV market environment is evolving and how our strategy fits within it. We’ll also dig into the ABL transaction, and why it has the opportunity to transform our competitive position in the years to come. And then we’ll review some recent partnerships and commercial wins. Jordi will then offer some color on our cost reduction efforts, provide additional detail on our quarterly performance, and share some thoughts on our balance sheet as we close out the year. And finally, I’ll return to discuss our view of the market and what we’re focused on for the remainder of the year and into the next. We will end by taking questions from our covering research analysts, so let’s get started.

**SLIDE 4: Highlights**

While the third quarter revenue finished below our expected range, at €32.5 million, down on a year-over-year basis, driven by continued channel destocking, we made great progress on a number of critical initiatives at Wallbox, including profitability, partnerships, balance sheet management, and strategic M&A. As we’ve said this year, a large inventory build occurred within our distribution partners in both Q2 and Q3 last year in anticipation of stronger EV deliveries in 2022, which ultimately did not play out as planned. This created difficult comps, both in revenue and unit volumes, on a year-over-year basis, for both Q2 and Q3 this year. The trend that we discussed last quarter has continued, and as a result, sell-through by our distributors exceeded the units sold into those channels. That sell-through unit growth on a global basis amounts to approximately 30% year over year, a reasonable growth rate in our opinion. On a regional basis, that sell-through growth was 22% in Europe and APAC combined, and 60% in North America. We continue to work with our distributors to put in place systems and processes to provide better visibility and more closely align their inventory with end-market demand. We also continue to believe that we are approaching the end of this adjustment, and will provide more information as we have it.
It was another solid quarter for our DC business, driving 285% unit growth and 350% revenue growth, both on a year-over-year basis. While we’ve spoken at length about the balance and diversification the DC offering brings to our portfolio, it's worth mentioning again. DC demand is less correlated to EV deliveries than residential AC installations. It is a public infrastructure buildout, and often driven by governments and utilities. The robustness of the network is expected to drive EV adoption, not the other way around. For this reason, we continue to allocate resources to this opportunity globally and believe we’re extremely well positioned. We expect there will be times that one portion of the portfolio outperforms the other. The fact that we have a comprehensive solution across a global footprint should give investors confidence we are working to catch the energy transition from a number of fronts. We believe this is within our control and we expect to win in the marketplace.

The balance that we’ve discussed with you in the past continues to evolve and in some cases, accelerate. ABL provides access to applications and geographies that we were under-represented in. What you see from us as we enter 2024 is a business that plays across regions, product categories, applications, customer segments, and economic drivers. The purchasing decisions across residential, commercial, and public charging are as different as those who make them. It's equally so on a geographic level based on government initiatives and consumer preferences. This reduction of correlation to European EV deliveries is intentional, and something shareholders will benefit from in the coming years in the form of consistency and stability. It's not built overnight, but slowly through organic and inorganic means, and we're at a meaningful point in that transformation. As ABL in Europe, DC globally, bi-directional charging with Quasar, commercial opportunities with Orion, and many other new products hit the market and contribute materially, you’ll see big changes from us.

Continuing on with the performance….gross margins were 35% in the third quarter, a 530 basis point sequential improvement, driven largely by product mix.

Our cost reduction program is front and center, and allowed us to reduce cash expenses by an additional €4.5 million sequentially. We expect to exceed the €50 million reduction target previously discussed. Jordi will spend more time on that in a minute.

Adjusted EBITDA loss was €16.6 million, a €4.6 million improvement over the second quarter loss of €21.2 million.

**SLIDE 5: Market Overview**
This brings us to the subject of EV demand in general.

We have all seen comments made by large OEMs regarding challenges they’re experiencing as they navigate the competitive environment, and we’ve seen pricing actions taken. There will be quarters, or even years, where consumer behavior is volatile. That should be expected. But over the long-term, replacing hundreds of millions of ICE vehicles, and putting in-place infrastructure to keep EVs charged and moving is one of the largest investment undertakings we may ever see. The current variability we’ve seen is not unexpected, nor does it change our thesis. In fact, EV demand relative to ICE appears to be relatively healthy, and while they may not match the OEM’s initial forecasts, we believe EV adoption continues its growth path forward.

I can tell you this:

- The energy transition from fossil fuels to alternative sources is occurring, and will continue for decades.
- The management of that energy will take center stage. Intelligent systems to optimize our generation, storage and use will be critical. We continue to build that offering and its resonating with customers.
- Through financial incentives, governments are expected to continue to encourage consumers to shift from ICE to EV. It will not be smooth, and may continue to occur in fits and starts, but we believe that this will accelerate as we make our way through the next 3 to 5 years.
- EV prices need to reach parity with ICE vehicles. EV prices will continue to decline as competition from Asian OEMs drive improvements from North American and European manufacturers. Low-cost producers will disrupt incumbents, forcing productivity gains. Lower prices will bring consumers to the market that would otherwise be left out.
- And market consolidation within the EV charging space will continue. Scale, a global footprint, and a comprehensive portfolio will be critical to winning in this marketplace, given the size and scope of the disruption we see ahead. We believe small, local companies with narrow hardware offerings will be left out, and agile companies with complete software and hardware solutions will prevail.

**Slide 6: Q3 at a Glance**

For the third quarter 2023, Europe contributed €22.7 million or 70% of total revenue. North America contributed €6.7 million or 21%, APAC was €2 million or 6%, and LATAM was €1 million or 3%.
Variability in AC demand as a result of continued destocking was partially offset by strength in public DC charging. Supernova 150, our second generation DC fast charger continues to see strong reception from customers. DC represented 25% of our revenue in the third quarter, with AC 59% and software, services, and accessories the remaining 16%. 2023 has brought with it large DC orders from big, strategic customers, including Iberdrola, Atlante, Powy, Osprey, BeCharge, and others. In some cases, these orders are in the tens of millions of Euro over several years. We see enormous opportunity here and will ramp up production in a controlled fashion, keeping quality and reliability in focus. This is a critical time for both Wallbox and the market. One which requires relentless pursuit of perfect quality. We see great traction and customers have responded with repeat orders. It's encouraging to see and we remain committed to staying true to those tenets.

Gross margins were 35%, an increase from last quarter, but lower than our long-term target. Margins were impacted by product mix, which we expect to ease as we make our way through 2024. To provide color, approximately 60% of DC units sold in the quarter were Supernova 150, up from 40% in the prior quarter. And while they bring a higher gross margin profile than Supernova 60, our first generation product, it's still lower than AC. So in time, as that mix shift continues, and the cost profile of the new product declines, we anticipate that impact to lessen.

**SLIDE 7: Cost Saving Initiatives**

We also made progress on our cost savings initiatives. Employee benefits and opex, on a combined basis, totaled €33.2 million, €4.5 million better than last quarter and €16.8 million better than Q4 2022, our point of measurement. We have removed €38.8M of expenses so far this year. The right-sizing of our business given the demand environment has put us in a position of strength, and one that gives us line of sight to profitability in the coming year. The processes and policies we have put in place will provide the structure for the next phase of growth, while allowing for the flexibility we'll need to navigate dynamic market conditions.

**Slide 8: ABL**

The ABL transaction, which was closed on November 2nd, is one of the most important events in our company's history. It has the opportunity to drastically change our financial profile, and provide meaningful commercial, operational, and financial synergies. They are the market share leader in Germany, one of the most important geographies in the world. The commercial market they operate in
is less correlated with EV deliveries than residential installations. This is even more true of the demand drivers of DC public charging infrastructure. This transaction further diversifies our portfolio, provides balance, and expands our product- and served-addressable markets. While the EV demand curve may see variability, this transaction offers further cushion against those near-term impacts.

The size of the German EV market is second only to China and North America. There are almost 2.7 million EVs on the road there today. It's massive, and as I just discussed, sees variability based on government incentives. Additionally, Germany requires a unique certification called Eichrecht. This ensures that the amount of electricity delivered to the vehicle is measured accurately, so payment can occur. Any commercial and public application where energy is being sold requires it, as well as many residential use cases where company cars are provided…a common occurrence in Germany.

ABL has a long history of offering innovative technologies. The management team has established itself as a trusted partner to leading brands, including Daimler, and they have sold more than 600,000 chargers to date. Their product offering has been focused on these commercial applications, and their EV chargers are Eichrecht certified…something Wallbox did not have. Because of this, the product overlap is minimal. This transaction provides us immediate access to a market where we were under-represented, and provides opportunity to expand our offering into established sales channels. Bringing Wallbox products like Supernova, Pulsar and Quasar into Germany, and ABL products to the rest of the world, is something that will drive exciting value for both companies.

As a reminder, Wallbox paid €10 million in cash already, and will pay another €5 million in 2024, to acquire the operations and assets of ABL. This was structured as an asset deal, which negates the need to assume their liabilities. Instead, we bring their intellectual property, inventory, facilities and equipment, employee contracts, customer relationships, and talented management team to Wallbox. Together, the company will be the largest European EV charging name with the most comprehensive offering and broadest geographic footprint. We anticipate ABL adding between €60 and €75 million of revenue and positive adjusted EBITDA in 2024. This will be immediately accretive to Wallbox in the upcoming year.

As background, in 2022, ABL generated approximately €150 million in sales with positive EBITDA. In 2021, the company began investing in new facilities to bring its newest product to market, the eM4. That investment occurred just before government subsidies were turned off late last year. That unfortunate timing in-turn created the opportunity that brought Wallbox and ABL together. Incentivizing
and aligning objectives between ABL and Wallbox shareholders is extremely important. For this purpose, earnouts are utilized. In summary, ABL management has a minority ownership stake in the business entity we created. While the sales and margin targets are ambitious, higher than those shared with you here, both the ABL team and Wallbox shareholders will be rewarded if they’re achieved. We’re excited to see the team hit the ground running.

Now I want to spend a few minutes on the benefits we expect to capture as a result of this transaction:

**Slide 9: Synergies - Commercial**
The commercial synergies are the first I’d like to discuss.

An Eichrecht certified product portfolio is the most visible and tangible commercial benefit we see. That certification, while something we were working on, is not easy to obtain. The experience the ABL team has in navigating the standards and requirements will accelerate the process with Supernova, ultimately providing faster access to the market in 2024.

For other applications, in addition to DC and commercial, we now can bring the full Wallbox offering through established sales channels in Germany. Quasar 2, our bi-directional charger, and the industry’s first will benefit from the strong relationships the ABL team has built. Given the size and focus of the German market on intelligent energy management solutions, we are optimistic about the opportunity.

And finally, there will be other markets within Europe where the ABL offering is better aligned with the market’s needs. For example, ABL’s newest charger, the eM4, meets the needs of customers looking for a robust solution for fleets, apartments, and office parking lots today. That market segment is growing faster than others, and puts us immediately in a leadership position. The ability to quickly leverage that solution in countries that ABL currently does not operate in offers a unique opportunity that we’ll quickly go after. Putting the eM4 into our established sales channels only accelerates our ability to participate in those projects.

**Slide 10: Synergies - Operational**
The operational synergies are equally compelling.

ABL brings with it two manufacturing facilities. The location in Germany is nearly 100% automated, and the location in Morocco is cost optimized. The facilities also bring capabilities that don’t currently reside
at Wallbox, including injection molding and socket manufacturing. By leveraging these from ABL, and those that Wallbox brings, like PCBs from ARES, the combined entity can further increase vertical integration and do more in-house. These savings could be millions a year.

The scale and scope of our combined offering and footprint also allows for both vendor and sourcing consolidation and leverage. Simply put, given our size, we are a major force in EV charging, and expect to realize volume discounts that will immediately benefit gross margins.

Optimizing R&D and capex is another operational benefit we see ahead. Combining two product roadmaps into one will allow us to, in some cases, do more, and others, to spend less. A great example of this is how it will impact Orion, Wallbox’s upcoming answer to commercial applications. ABL’s eM4 satisfies the European market’s need immediately, and can be sold through our channels today. But this also allows us to shift Orion’s R&D and capex, which is no longer needed in Europe... to North America. Customers there have been eagerly awaiting a robust commercial solution, and Orion will meet their needs perfectly. This refocusing of investment and resources, while expanding our served and product addressable markets, is a function of a complementary offering and footprint, and there’s more examples to share.

*Slide 11: Synergies - Financial*

And the financial synergies provide for enormous shareholder value creation.

As I mentioned, ABL generated substantial revenue, and positive adjusted EBITDA in 2022. As their new products hit their stride, we anticipate them achieving their targets and generating positive adjusted EBITDA next year. This only increases our confidence in our ability to deliver positive adjusted EBITDA at the consolidated level in 2024. To give additional context, ABL and Wallbox, on a combined basis, delivered revenue of approximately €46 million in the 3rd quarter.

ABL’s gross margins are within the range that Wallbox targets as well, approximately 40%, and we see opportunities to improve them further.

And finally, regarding operating costs at ABL, prior to the transaction, the company completed a cost improvement program to right-size the business relative to market demand. This allows a more targeted approach to identifying potential savings that can arise from the business combination. We’ll evaluate
those on a case by case basis, and ensure we are optimizing the combined operations in order to drive value for all stakeholders.

In summary, this transaction has the ability to accelerate our strategic plan. It will provide a level of scale that does not exist today. With that scale, we expect to be profitable in 2024. It will offer unique opportunities to focus investments and bring new products to new markets. It's transformational for Wallbox, and I’m excited to see where it leads us.

**Slide 12: Commercial wins and partnerships**

The first partnership we announced in the quarter was Kia. Kia selected Wallbox as its partner in the launch of its beautiful new electric SUV, the EV9. Kia will offer U.S. customers a solution that includes Quasar 2, our bi-directional charger. This next-generation 11.5kW bidirectional charger will enable EV owners to charge and discharge their electric vehicle to power their home or send energy back to the grid. A Kia EV9 can hold up to 100kWh of energy, over 5x the amount of energy of a standard 13.5kWh home storage system, and power a typical household energy consumption for up to four days, removing the need for expensive home energy storage systems.

In case of a power outage, Quasar 2’s Power Recovery Mode automatically switches the user’s power source from the grid to their vehicle to allow a homeowner to use their EV battery as an emergency generator. This type of backup service is becoming not only increasingly important, but crucial, given the sheer volume and duration of power outages in the US. Last year, California alone witnessed 39 power outages and more than 414 hours of total outage time. Across the U.S., unforeseen power outages cost the U.S. economy $150 billion annually.

We’re excited to work with Kia America toward our shared vision for accelerating electrification and transforming how we harness and interact with energy.

The next announcement we made was with Free2Move eSolutions, which is a joint venture including Stellantis. We’ve alluded to this collaboration on past calls, and we’re proud to finally discuss who its with. The opportunity will involve both Pulsar AC chargers for their customers, and Supernova 180 for dealerships. We will begin shipping Supernova in the current quarter and expect to accelerate as we make our way through 2024. I’d like to point out how big of an opportunity dealerships really are. Remember, each dealership will need both AC and DC, as well as bi-directional capabilities. You cannot service a fully charged EV, so capturing that energy through bi-directional charging, which today
is wasted, and moving it to other vehicles, or selling it back to the grid, is a compelling value proposition for dealerships, and there are more than 21,000 of them in North America alone. Each one will need to invest between $100,000 and $1 million to be ready. It's a massive market and we're uniquely positioned. We look forward to bringing a complete energy management architecture to them.

And finally, we’ve announced a strategic partnership with Osprey, one of the UK’s largest and leading rapid EV charging networks. The collaboration will begin by expanding the Osprey network with 125 units of Wallbox’s Supernova DC rapid charger coupled with WBX care program; offering preventative and corrective maintenance to their Supernova fleet. Charge point availability and reliability are both crucial for consumer confidence in making the switch to electric vehicles. Wallbox’s Supernova uses a modular design with a simple user-centric experience and payment process. This ensures that EV drivers get ease of use and a high standard of reliability, whilst charge point operators can scale the units easily to improve availability.

Jordi, I’ll turn it over to you to comment further on our financial details.

Jordi Lainz
Chief Financial Officer

SLIDE 13: FINANCIAL REVIEW - HIGHLIGHTS
Thank you, Enric. Good morning and good afternoon to everyone.

Our third quarter results came in lighter than expected, driven by additional channel inventory adjustments, and some regional variability from residential applications. I’ll provide more detail on these results, discuss some financing activities we’ve announced, and share some thoughts on the remainder of the year.

For the third quarter 2023, revenue was €32.5 million, flat from the previous quarter. On a year-over-year basis, revenue declined in both the U.S. and Europe, driven largely by continued destocking. On a sell-through basis, unit volumes increased by 30%, driven by strength in the US. The inventory build that occurred last year continued in the quarter, and while it's difficult to say for certain, based on the pattern we saw last year, we expect less of an impact going forward.
Gross margin for the quarter was 35%. A 530 basis point improvement over last quarter. Mix shifts from new products continue to impact our margins, but progress is being made. DC margins are now above 30%, up from 10% last year. As we continue to transition from Gen 1 to Gen 2, we believe we will see gradual improvement, enabling consolidated gross margins back in the mid- to high-30s in the fourth quarter.

We were able to further reduce both employee related cash expenses and opex, which amounted to €33.2 million in the period. If you recall, our intention was to reduce 2023 expenses by €50 million, using the fourth quarter 2022 as our jumping off point. Through the third quarter, we have removed €38.8 million from our 2023 costs. The most recent quarterly cash expenses are €16.8 million lower than Q4 2022. This implies that we will exceed our planned reduction, something we’re proud to share with you today. We see additional opportunities to reduce costs further, and we’ll aggressively go after them.

Adjusted EBITDA loss for the period was €16.6 million, a 22% sequential improvement and 20% improvement over the prior year period. We remain extremely focused on costs and conserving cash, and have seen tangible benefits of those efforts.

**SLIDE 14: FINANCIAL REVIEW - KEY FINANCIAL METRICS**

We’ve also improved our balance sheet in the quarter. We ended September with approximately €81 million of cash and equivalents. In October we secured an additional €35 million loan from several European banking partners at a rate of 3-month euribor plus 3.25%. That, when combined with the attractive purchase price of ABL, allows us to remain close to the €100 million mark where we are comfortable. We ended the third quarter with €65 million of long-term debt, which excludes that Q4 funding event.

We did not utilize the ATM during the third quarter.

Capex was again, very light, with approximately €4.2 million in the period, with €1.2 million spent on Property Plant and Equipment. Year to date, we’ve spent €11.6 million. We expect an additional €4-6 million of Capex spend in the fourth quarter of 2023, resulting in a full-year figure less than €20 million, and significantly less than the €26 million previously planned for the year.

Inventories were €94 million, down slightly from the second quarter.
Full-time headcount decreased by almost 100 people on a quarter over quarter basis. We are at the headcount level of Q2, 2022 and believe the absolute number will continue to trend down.

**SLIDE 15: FINANCIAL REVIEW - DEBT**

To provide a bit more detail on our balance sheet, here you see the debt we carry. As of September, we had approximately €65 million of interest bearing long-term loans, with maturity greater than 1-year. We also have €19 million of short term loans. The €65 million matures over the coming 5 years. Our fixed rate debt is at 4.1% and our floating rate debt is at on-average, 3-month euribor plus 5.8%. These balances exclude the new €35 million loan brought on in October.

As you can see, we have carefully financed the business and do not have meaningful near-term interest rate risk. We believe we are adequately capitalized, and are able to service our debt. Investors should gain comfort that we are in a solid position.

Enric, I’ll turn it back to you to provide some closing commentary.

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**Enric Asunción**  
*Chief Executive Officer*

**SLIDE 15: Closing Thoughts**

Thanks Jordi,

As we exit 2023 and prepare for 2024, it's an extremely important time for Wallbox. We're set up to achieve scale on the business that will allow us to drive profitability very soon. The multiple new products we are bringing to market today, provide access to applications and geographies that didn't exist before. DC public charging in North America, DC and commercial charging in Germany, fleet charging in Europe, Orion in the U.S. for apartments and office lots, Bi-directional around the world. These revenue opportunities are real, they will contribute meaningfully, and ABL is an important part of that. We expect revenue growth to resume in the 4th quarter.

Managing our cost base is equally critical as we enter 2024. While we've taken huge steps to right-size the business given the environment, we see more opportunity ahead. We will be leaner, more efficient,
and more flexible in the upcoming year. Breaking even then generating positive adjusted EBITDA, is now expected just a quarter later than originally planned, but we believe that our operating leverage will be greater than previously thought given ABL's potential.

It's an exciting time and one that we are very proud of. We believe we're doing the right things, and we measure our progress against our strategic plan by speaking with customers, and staying close to the market transitions driving our business.

Today, we are fully focused on what we can control. This includes taking market share, controlling costs, and ensuring we transition to profitability in 2024. Each and every Wallboxer is focused on this initiative, and we’re willing to do whatever it takes to achieve that objective. While we cannot control the markets, we can control how we execute within them. We are driving diversification across products, markets, and geographies that rely less on EV deliveries. We will be larger, profitable, with a more efficient operational footprint, and a more complete offering.

We appreciate your trust and look forward to turning the corner to profitability in the upcoming year. That, we believe, will set us apart from the competition and help refocus the attention on where it should be, the massive wave of EV adoption and charging infrastructure that we see coming over the next decade, and we’re ready for it.

With that, we’re ready to take questions from our analysts.

Matt Tractenberg

And that will be our last question. Thank you all for joining us today. We hope you found today’s call a good use of your time. Please watch our website for details if you’re interested in meeting with us. Let us know if we can help you in any way. Have a great day everyone.