Tritium DCFC Limited

ABN 85 650 026 314

Consolidated Financial Statements

As of and for the years ended 30 June 2022 and 2021

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This financial report covers the consolidated entity consisting of Tritium DCFC Limited and its controlled entities (the "Group"). The financial report is presented in United States Dollars.

The registered office and principal place of business is:

Tritium DCFC Limited
48 Miller Street
Murarrie Queensland 4172

Directors’ Report

The Directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the “consolidated entity”) consisting of Tritium DCFC Limited (referred to hereafter as the “Tritium DCFC”, “Company” or “parent entity”) and the entities it controlled (together referred to hereafter as the “Group”) at the end of, or during, the year ended 30 June 2022.

Directors

The names and details of the directors of Tritium during the financial year and up to the date of this report are set out below. Directors were in office for the entire period unless otherwise stated:

Names, qualifications, experience and special responsibilities

Robert Tichio (Chairman of the Board, non-executive director) (appointed 13 January 2022)
Mr. Tichio has served as a non-executive member and Chair of Tritium DCFC’s board of directors since January 2022. He has also served as a member of Decarbonization Plus Acquisition Corporation II (“DCRN”) board of directors since 4 December 2020 and served as DCRN’s Chief Executive Officer from December 2020 to January 2021. Mr. Tichio has served as a member of the board of directors of Decarbonization Plus Acquisition Corporation IV since February 2021, and as a member of the board of directors of Decarbonization Plus Acquisition Corporation V since March 2021. Mr. Tichio served as a member of the board of directors of Decarbonization Plus Acquisition Corporation (“DCRB”) from August 2020 until the consummation of DCRB’s business combination in July 2021, and served as its Chief Executive Officer until September 2020. Mr. Tichio also served as a member of the board of directors of DCRC from January 2021 until consummation of DCRC’s business combination with Solid Power, Inc. in December 2021 and served as its Chief Executive Officer until February 2021, and has served as a member of the board of directors and nominating and corporate governance committee of Solid Power, Inc. since December 2021. Mr. Tichio is a partner and managing director of Riverstone Holdings LLC (“Riverstone”). Mr. Tichio joined the firm in 2006 and has been focused on the firm’s Private Equity business. Prior to joining Riverstone, Mr. Tichio was in the Principal Investment Area (PIA) of Goldman Sachs, which manages the firm’s private corporate equity investments. Mr. Tichio began his career at J.P. Morgan in the Mergers & Acquisition Group, where he concentrated on assignments that included public company combinations, asset sales, takeover defenses, and leveraged buyouts. Mr. Tichio received his A.B. from Dartmouth College as a Phi Beta Kappa graduate, and later received his M.B.A. with Distinction from Harvard Business School. Mr. Tichio serves on a number of non-profit and Riverstone portfolio company boards.

Trevor St Baker (non-executive director) (appointed 7 May 2021) (Chairman of the board of directors until 13 January 2022)
Mr. St Baker has served as non-executive member of Tritium DCFC’s board of directors since May 2021 (as Chairman until January 2022) and previously served as Chair of Tritium Holdings Pty Ltd (“Tritium Holdings”) from 2013 until January 2022. He has served as non-executive director of Novonix Ltd since September 2020 and previously served as director of ERM Power Limited, from October 2010 to November 2017. Mr. St Baker is currently a director or chairman of a multitude of private companies in the energy and mobility sectors. Mr. St Baker received a B.E. degree from the University of New South Wales and a B.A. degree from Sydney University. In 2021, Mr. St Baker was conferred with the degree of Doctor of Engineering Honoris Causa by the University of Queensland for his lifelong contribution to the Australian electricity sector and greater Australian community. In 2016, Mr. St Baker was awarded an Officer (AO) in the General Division of the Order of Australia for distinguished service to business and commerce as a leader in the energy sector, and through philanthropic support for a range of health, arts and indigenous youth programs.

Kenneth Braithwaite (non-executive director) (appointed 13 January 2022)
Mr. Braithwaite has served as a non-executive member of Tritium DCFC’s board of directors since January 2022. From May 2020 to January 2021, Mr. Braithwaite served as the U.S. Secretary of the Navy, and previously served as the U.S. Ambassador to Norway from February 2018 to May 2020. From November 2011 to January 2018, he served as Group Senior Vice President for Vizient, Inc. Mr. Braithwaite has served as a director and member of the audit and finance committees for Trajector, a privately held company. Mr. Braithwaite received a B.A. degree in international relations and naval engineering from the U.S. Naval Academy and a M.P.A. degree in government administration from the University of Pennsylvania. In 2021, he was awarded the U.S. Defense Distinguished Service Medal.

Edward Hightower (non – executive director) (appointed 13 January 2022)
Mr. Hightower has served as a non-executive member of Tritium DCFC’s board of directors since January 2022. He is the President of Lordstown Motors Corporation (Nasdaq: RIDE), an original equipment manufacturer (OEM) of electric vehicles for the commercial fleet market. Previously, he served as Managing Director of Motoring Ventures LLC from April 2016 to November 2021 and as Executive Chief Engineer and Vehicle Line Executive at General Motors Company from October 2013 to April 2016. He has also held executive leadership positions at Ford and BMW. Mr. Hightower received a B.S. in General Engineering and design from the University of Illinois at Urbana-Champaign, Grainger College of Engineering, and a M.B.A in general management and marketing from the University of Michigan Ross School of Business.

Adam Walker (non – executive director) (appointed 3 July 2022)
Mr. Walker has served as a non-executive member of Tritium DCFC's board of directors since July 2022. From November 2017 to March 2022, Mr. Walker served as Executive Vice President and Chief Financial Officer of IHS Holding Limited ("IHS"), a public telecommunications infrastructure company. Prior to IHS, from January 2013 to November 2017, Mr. Walker served as Group Finance Director and as a member of the board of directors for GKN plc, a global aerospace and automobile component manufacturer. From January 2016 to December 2019, Mr. Walker served as a non-executive director of Kier Group plc, a public construction and infrastructure services company, where he also served as Chair of the Audit Committee of the board of directors and as a member of the Remuneration and Nomination committees of the board of directors. Mr. Walker received a B.A. degree from Newcastle University (UK).

David Finn (executive director) (appointed 13 January 2022)
Dr. Finn is a co-founder and has served as a non-executive member of Tritium DCFC's board of directors since January 2022. He has served as Tritium DCFC's Chief Vision Officer (formerly, Chief Growth Officer) since 2022 and previously served as the Chief Executive Officer of Tritium Holdings from 2010 to 2022 and Tritium Pty Ltd from 2001 to 2010. In the coming months, Dr. Finn will transition out of the role of Chief Vision Officer and will continue to serve as a non-executive director of the Company. Dr. Finn received a Ph.D. in electrical engineering, B.S. degree in computer science, and B.E. degree in electrical engineering and computer systems from the University of Queensland, Australia.

Jane Hunter (Managing Director) (appointed 13 January 2022)
Ms. Hunter has served as the Chief Executive Officer since March 2020 and a member of our board of directors since January 2022. Ms. Hunter also serves as a director on the board of Tritium DCFC's Australian subsidiaries. She previously served as the Chief Operating Officer and Deputy Chief Executive Officer of Tritium Holdings from September 2019 to March 2020. Prior to joining the Group, Ms. Hunter served as Chief Operating Officer, Phantom Works International, of Boeing Defence Australia Ltd from January 2014 to September 2019 (joining Boeing in 2012) and was a member of the board of directors of Boeing Defence Australia Ltd and Boeing Distribution Services Inc. Ms. Hunter chaired the South Queensland Defence Advisory Board and is currently a director of the Electric Vehicle Council of Australia and a member of the Manufacturing Ministerial Council (Queensland). Ms. Hunter received a Bachelor of Laws (Hons.) degree and B.A. degree from the University of Queensland.

Kara Phillips (appointed on 13 January 2022, resigned 27 May 2022)
Kara Phillips is the founder and managing director of Tiger Financial Group, a financial services firm for high growth tech companies. She started the firm in 2011 and focuses on seed to pre-IPO companies primarily in the enterprise software, cleantech and fintech sectors. Previously, Ms Phillips was a partner in an Australian-based venture capital firm backed by Westpac Banking Corporation. Ms Phillips also worked in New York in the Principal Investment Area (PIA) of Goldman Sachs, which manages the firm's private corporate equity investments. Earlier in Ms Phillips' career, she worked as an equity research analyst covering the enterprise software and hardware sectors for Goldman Sachs in San Francisco. Ms Phillips received her A.B. from Princeton University. Ms Phillips serves on other company boards in the cleantech sector and on non-profit boards focused on female entrepreneurship and education.

Interests in the shares of the Group and related body corporate

As at the date of this report, the interests of the directors in the ordinary shares of Tritium DCFC were:

	Number of ordinary shares
Robert Tichio	-
Trevor St Baker	34,010,820
Kenneth Braithwaite	-
Edward Hightower	-
Adam Walker	-
David Finn	6,102,091
Jane Hunter	1,088,782

Company Secretaries

Michael Collins and Sean Simmons are joint company secretaries as at the date of this report.

Michael Collins (U.S. resident) appointed 18 May 2022, is Tritium DCFC's General Counsel and Company Secretary. Mr. Collins is a licensed attorney in Arizona and Texas, and received a Juris Doctor with Honors from the University of Texas School of Law and a Bachelor of Arts in Political Science, with a minor in Business Administration from the University of Southern California. Prior to joining Tritium DCFC, Michael served in various legal and business capacities for U.S. publicly traded companies and as a senior associate at the international firms of Willkie Farr & Gallagher LLP and Vinson & Elkins LLP.

Sean Simmons (Australian resident) appointed 22 January 2022 is a qualified solicitor admitted to the Supreme Court of Queensland. Sean holds a LLM (Technology & Intellectual Property), a Graduate Diploma in Applied Corporate Governance and a MBA (UQ). Sean has previously worked at Amazon.com and Expedia in senior legal and company secretariat positions.

Principal Activity

We design, sell, manufacture and service proprietary hardware and associated software to create advanced and reliable Direct Current ("DC") fast chargers for electric vehicles ("EV"). Our technology is engineered to be easy to install, own and use, and our compact, robust chargers are designed to look great on Main Street and thrive in harsh conditions. As at 30 June 2022, we have sold more than 7,600 DC fast chargers and have provided high-power charging sessions across 42 countries.

Review of operations and operating results.

The loss of the consolidated entity after providing for income tax amounts to $297.2 million (30 June 2021: $65.1 million).

The Directors are pleased with the considerable progress that has been made over the past twelve months.

During the year to 30 June 2022, the subsidiaries of Tritium DCFC continued to expand within their major markets of the US and Europe as worldwide revenues grew by 53% compared to 2021. Growth has been underpinned by the supply of an IONITY order received in July 2021, and further by materially large contracts awarded during the year from Enel X, EV Charging Solutions, Shell UK, and BP.

As expected, in the early stages of its development, the Group has incurred a financial loss although this has been exacerbated by material costs associated with the listing which are not expected to re-occur. These include a one-off deemed, non-cash listing expense of $156.0 million and transaction and offering related fees of $21.1million, details of which are set out below.
The Group's net losses of $297.2 million includes a one-off deemed listing expense of $156.0 million, arising due to the business combination. This deemed listing expense has been determined as the difference between the fair value of net assets acquired by Tritium Holdings and the deemed fair value of consideration transferred to DCRN's former shareholders. This expense represents a compensation paid to former DCRN shareholders for the service of a stock exchange listing. Note 37 provides additional details on accounting for the business combination transaction.

During the year to 30 June 2022, the subsidiaries of Tritium DCFC Limited continued to expand within its major markets of the USA and Europe as worldwide revenues grew 53% compared to 2021. Growth has been underpinned by the supply of an IONITY order for 300 units received in July 2021, and further by materially large contracts awarded during the year from Enel X (288 units), EV Charging Solutions (381 units), Shell UK (250 units) and BP (750 units).

Revenue

Revenue increased by $29.7 million, or 52.8%, from $56.2 million during the fiscal year ended 30 June 2021, to $85.8 million during the fiscal year ended 30 June 2022, primarily attributable to an increase in hardware revenue of $27.3 million.

Hardware Revenue

Hardware revenue consists of revenue generated from the sale of EV chargers. We have three major product lines: Stand Alone Chargers, Distributed Chargers and Other. Total hardware revenue (external and related party) increased by $27.3 million, or 50.9%, from $53.6 million during the fiscal year ended 30 June 2021, to $80.8 million during the year ended 30 June 2022 due to both price and volume.

The number of Stand Alone Charger products sold increased by 1,194, or 147.0%, from 812 during the fiscal year ended 30 June 2021, to 2,006 during the fiscal year ended 30 June 2022. The average selling price of Stand Alone Charger products increased by $1,224, or 4.9%, from $24,734 per unit during the fiscal year ended 30 June 2021, to $25,958 per unit during the fiscal year ended 30 June 2022. The increase was due to the introduction of higher-powered Stand Alone Charger products which command a higher price.

A Distributed Charger site is based on a two-user unit configuration. Sales of Distributed Chargers decreased by 18 sites, or 7.7%, from 234 sites for the fiscal year ended 30 June 2021 to 216 sites for the fiscal year ended 30 June 2022. This decrease was due high powered Distributed Chargers being sold less during 2022. The average selling price of Distributed Chargers decreased by $17,751, or 12.6%, from $140,914 per site during the fiscal year ended 30 June 2021, to $123,162 per site during the fiscal year ended 30 June 2022. This was primarily attributable to a weakening s in Euro to USD exchange rate, noting that the vast majority of sales of Distributed Chargers in those years took place in Europe in fixed EUR pricing.

During the fiscal year ended 30 June 2022, a number of customers requested us to provide our products on a bill-and-hold basis. Changes and delays to the customers' site rollout schedules has contributed to the significant bill-and-hold arrangements for this period. The revenue under the bill-and-hold arrangements for the fiscal year ended 30 June 2022 contributed to 16% of our total revenue.

Service and Maintenance Revenue

Service and maintenance revenue increased by $2.4 million, or 92.3%, from 2.6 million during the fiscal year ended 30 June 2021, to $5.0 million during the fiscal year ended 30 June 2022, primarily derived from an increase of post warranty units in the field.

Cost of Goods Sold

Cost of goods sold increased by $28.1 million, or 48.4%, from $58.1 million during the fiscal year ended 30 June 2021, to $86.2 million during the fiscal year ended 30 June 2022, primarily attributable to an increase in production volume of chargers.

Hardware—Cost of Goods Sold

Hardware—cost of goods sold increased by $27.2 million, or 49.3%, from $55.2 million during the fiscal year ended 30 June 2021, to $82.4 million during the fiscal year ended 30 June 2022, primarily attributable to an overall increase in volume of charges sold. The average cost of Stand Alone Charger products decreased by $108 per unit, or 0.4%, from $25,984 per unit during the fiscal year ended 30 June 2021, to $25,876 per unit during the fiscal year ended 30 June 2022. This decrease is due to efficiencies and volume discounts achieved by increased production. The average cost of Distributed Chargers decreased by $11,700 per site, or 8.1%, from $144,094 per site during the fiscal year ended 30 June 2021, to $132,394 per site during the fiscal year ended 30 June 2022. This decrease is due to efficiencies and volume discounts on input materials, achieved by increased production.

Service and Maintenance—Cost of Goods Sold

Service and maintenance—cost of goods sold increased by $0.9 million, or 31.5%, from $2.9 million during the fiscal year ended 30 June 2021, to $3.8 million during the fiscal year ended 30 June 2022. The increase was attributable to increased volume in services.

Foreign Exchange Gain/(Loss)

Foreign exchange gain/(loss) expense increased by $2.8 million, or 193.0%, from $1.4 million during the fiscal year ended 30 June 2021, to $4.2 million during the fiscal year ended 30 June 2022, primarily attributable to the volume of transactions denoted in foreign currency.

Finance Costs

Finance costs increased by $9.7 million, or 106.2%, from $15.2 million during the fiscal year ended 30 June 2021, to $24.9 million during the fiscal year ended 30 June 2022. This increase is primarily attributable to additional interest expense of $8.5 million incurred in connection with the CIGNA Loan and CIGNA Refinance Loan as a result of an increased principal amount, and interest expense incurred on the Convertible Notes.

Transaction and Offering Related Fees

Transaction and offering related fees increased by $16.3 million, from $4.8 million during the fiscal year ended 30 June 2021, to $21.1 million during the fiscal year ended 30 June 2022, primarily attributable to fringe benefit tax expense of $5.7 million, which was triggered as a result of the modification of various loan funded share-based compensation plans as a result of the Business Combination, and other transaction, offering and advisory related fees of $15.4 million.

Warrants – fair value measurement

There is a warrant fair value measurement loss of $3.5 million for the year ended 30 June 2022 attributable to the recognition of the warrant liabilities (30 June 2021: nil).

Dividends

There were no dividends paid, recommended, or declared during the current or previous financial year.

Significant changes in the state of affairs

In May 2021, the Company entered into a business combination agreement (“BCA”) with Tritium Holdings and Decarbonization Plus Acquisition Corporation II (“DCRN”), a special purpose acquisition company. On 13 January 2022, the BCA was consummated and Tritium Holdings and DCRN became wholly owned subsidiaries of the Company (the “Business Combination”).

At the Business Combination, eligible Tritium Holdings equity holders received or had the right to receive ordinary shares of Tritium at a deemed value of US$10.00 per share after giving effect to the exchange ratio of 1.471662 as defined in the BCA (“Exchange Ratio”). Accordingly, immediately following the consummation of the Business Combination, shares of Tritium Holdings exchanged into 120,000,000 ordinary shares of Tritium.

In connection with the execution of the BCA, DCRN entered into a separate subscription agreements (each a “Subscription Agreement”) with a number of investors (each a “New PIPE Investor”), pursuant to which the New PIPE Investors agreed to purchase, and DCRN agreed to sell to the New PIPE Investors, an aggregate of 2,500,000 ordinary shares (“PIPE Shares”), for a purchase price of US$6.00 per share and an aggregate purchase price of US$15.0 million, in a private placement pursuant to the subscription agreements (“PIPE Financing”). The PIPE Financing closed simultaneously with the consummation of the Business Combination.

Matters subsequent to the end of the financial period

On the 2nd of September 2022, the existing US$90 million senior debt facility from Cigna Investments, Inc. (“Cigna”) and Barings LLC (“Barings”) has been extended by US$60 million to a US$150 million facility. A committed equity facility for up to US$75 million has also been established with B. Riley Principal Capital II, LLC. The net injection of incremental capital of up to US$135 million will be used to fund working capital to accelerate production, further product development, and support operations around the world. The US$150 million senior debt facility will refinance the existing US$90 million facility and provide a net injection of US$60 million. The facility has a 3-year term and 8.5% cash coupon supplemented with the issuance to the lenders or their affiliates of warrants for the purchase of ordinary shares of the Company. The consortium providing the facility comprises long-term supporter Cigna, the investment arm of Cigna Corporation, a U.S.-based global health services company, in addition to Barings, a leading global financial services firm and subsidiary of MassMutual, a U.S.-based mutual insurance company, Riverstone Energy Limited.

No other matter or circumstance has arisen since 30 June 2022 that has significantly affected, or may significantly affect the consolidated entity's operations, the results of those operations, or the consolidated entity's state of affairs in future financial years.

Likely developments and expected results of operations

The Group continues to expand its operations on a global level and is actively exploring how best to enter major new geographic markets. Tritium announced in August 2022 the opening of a U.S. manufacturing facility in Lebanon, Tennessee. This facility complements the existing facilities in Brisbane, Los Angeles and Amsterdam. As the market matures the breath of sales opportunities is growing and with key partnerships in place, the Group is in position to participate in developing market segments such as utilities, fuel and adjacent retail opportunities.

The business continues to invest in research and development and expects to introduce further new products to meet market demand.

Environmental regulation

We are subject to a variety of environmental laws and regulations, including, among others, water use and discharge, air emissions, use of chemicals and recycled materials, energy sources, the storage, handling, and disposal of hazardous materials and waste, the protection of the environment and natural resources, and the remediation of environmental contamination. We are required to obtain and comply with the terms and conditions of environmental permits, many of which may be difficult and expensive to obtain and must be renewed on a periodic basis. A failure to comply with these laws, regulations or permits could result in substantial civil and criminal fines and penalties, the suspension or loss of such permits, and possibly orders to cease the non-compliant operations.

There have been no significant known breaches of any environmental regulations to which it is subject.

Shares issued under options

We maintain a shadow equity scheme in Australia, the United States and the Netherlands, under which eligible employees may be offered shadow equity units, being a notional number of shares to which an eligible employee is entitled (to the extent vested), as specified in their offer to participate in the scheme. The holders of shadow equity units were entitled to the payment of those benefits as a result of the consummation of the Business Combination. As of the consummation of the Business Combination, the aggregate payment amount payable by Tritium Holdings under the shadow equity scheme was approximately $21.6 million.

The number of shares to be issued as payment of a participant's benefit was calculated by reference to the $10 issue price at the consummation of the Business Combination which is the date at which the shadow equity scheme benefit amount vested and was determined. During the year ended 30 June 2022 and up to the date of this report, 1,175,601 fully paid ordinary shares have been issued by Tritium in order to settle outstanding benefits under the shadow equity scheme (net of applicable withholdings), with 326,211 additional fully paid ordinary shares expected to be issued by Tritium in order to settle the remaining outstanding benefits under the shadow equity scheme (net of applicable withholdings). Following the consummation of the Business Combination, no new awards will be granted under the shadow equity scheme.

Shares issued on the exercise of warrants

During the year ended 30 June 2022 and up to the date of this report, there were 6,537,973 ordinary shares of Tritium issued on the exercise of publicly-traded warrants assumed by the Group and private placement warrants issued to Decarbonization Plus Acquisition Sponsor II LLC, the sponsor of DCRN upon the Business Combination.

Unissued shares

As at the date of this report, there are 326,211 unissued ordinary shares expected to be issued by Tritium in order to settle the remaining outstanding benefits under the shadow equity scheme (net of applicable withholdings). If the remaining participants have not requested that their unissued ordinary shares be issued to them prior to the conclusion of the next blackout period, the shares will automatically be issued to them shortly after the conclusion of the next blackout period. The participants of the shadow equity scheme have no rights to participate in any issue of securities by Tritium.

In addition, 9,278,277 ordinary shares of Tritium are issuable upon the exercise of the outstanding public and private warrants. The public and private placement warrants have an exercise price of $6.90 and $6.90 respectively per warrant. The public and private warrants do not entitle their holders to any rights to participate in any share issues by Tritium. The public and private warrants expire on 13 January 2027.

There are 1,328,758 unissued ordinary shares of Tritium DCFC Limited, that were offered to employees on 23 June 2022 under the LTIP. Each performance right will entitle the employees to acquire one fully paid ordinary share in Tritium DCFC, subject to satisfaction of vesting conditions. These performance rights have a vesting date of 14 October 2022 and have a Nil exercise price. These Performance Rights do not entitle their holders to any additional rights for future share issues by Tritium DCFC Limited. The Performance Rights must be exercised by 23 June 2025 failing which these performance rights will be deemed to have been exercised on that date.

There are 417,973 unissued ordinary shares of Tritium DCFC Limited, that may be issued under the Performance Rights under the LTIP granted by Tritium DCFC Limited that were communicated to a group of employees, executive management and the non-executive directors during the fiscal year ended 30 June 2022. The vesting period has commenced, and the performance rights expire at various dates based on the vesting conditions. The grant date has been estimated at 30 June,2022 where formal acceptance (as required under the LTIP Rules) has not yet been received from the individuals. These Performance Rights have a Nil exercise price and do not entitle their holders to any additional rights for future share issues by Tritium DCFC Limited.

Performance rights granted, vested and lapsed during the year – issued to Directors and key management personnel

Outlined below are details of the performance rights granted by Tritium during the financial year to the directors of Tritium and the most highly remunerated officer of the Group (of which there is only one officer who is not also a director) as part of their remuneration.

Performance rights do not carry any voting or dividend rights, and can only be exercised once the vesting conditions have been met. All rights issued during the year have a $nil exercise price.

	Financial year	Plan	Award Date	Fair value at award date[1]	Vesting date	Expiry date	Number of performance rights granted	Number vested during the year	Number lapsed during the year	Value of performance rights granted during the year	Number of shares over which performance rights granted
Robert Tichio	2022	LTIP	June 22, 2022	$6.78	December 31, 2022	March 15, 2023	5,000	0	0	$33,900	5,000
Trevor St Baker	2022	LTIP	July 30, 2022	$6.60	December 31, 2022	March 15, 2023	5,000	0	0	$33,000	5,000
Kenneth Braithwaite	2022	LTIP	Est June 30, 2022	$6.09	December 31, 2022	March 15, 2023	12,500	0	0	$76,125	12,500
Kenneth Braithwaite	2022	LTIP	Est June 30, 2022	$6.09	June 23, 2022	March 15, 2023	25,000	25,000	0	$152,250	25,000
Edward Hightower	2022	LTIP	July 31, 2022	$6.60	December 31, 2022	March 15, 2023	12,500	0	0	$82,500	12,500
Edward Hightower	2022	LTIP	July 31, 2022	$6.60	June 23, 2022	March 15, 2023	25,000	25,000	0	$165,000	25,000
Jane Hunter	2022	LTIP	Est June 30, 2022	$6.09	January 1, 2023	December 31, 2026	31,090	0	0	$189,338	31,090
Jane Hunter	2022	LTIP	Est June 30, 2022	$6.09	January 1, 2024	December 31, 2027	31,090	0	0	$189,338	31,090
Jane Hunter	2022	LTIP	Est June 30, 2022	$6.09	January 1, 2025	December 31, 2028	31,090	0	0	$189,338	31,090
Jane Hunter	2022	LTIP	Est June 30, 2022	$6.09	February 28, 2022	August 11, 2025	50,000	50,000	0	$304,500	50,000
David Finn[2]	2022	LTIP	Est June 30, 2022	$6.09	May 3, 2023	May 2, 2026	9,477	0	0	$57,715	9,477
David Finn[2]	2022	LTIP	Est June 30, 2022	$6.09	May 3, 2024	May 2, 2027	9,477	0	0	$57,715	9,477
David Finn[2]	2022	LTIP	Est June 30, 2022	$6.09	May 3, 2025	May 2, 2028	9,476	0	0	$57,715	9,476
Glen Casey	2022	LTIP	July 12, 2022	$5.71	October 14, 2022	June 23, 2025	18,000	0	0	$58,369	18,000
Glen Casey	2022	LTIP	Est June 30 ,2022	$6.09	February 28, 2023	February 27, 2026	13,336	0	0	$81,216	13,336
Glen Casey	2022	LTIP	Est June 30, 2022	$6.09	February 28, 2024	February 27, 2027	13,336	0	0	$81,216	13,336

1. *The grant date has been estimated as at 30 June 2022 where formal acceptance (as required under the LTIP rules) has not yet been received from the individuals.*
2. *Subsequent to 30 June 2022, David Finn has provided notice of termination and the LTIP shares may not be issued but remain effective as at the date of this report.*

Indemnification and insurance of officers and auditors

Indemnification

The Group has agreed to indemnify the current Directors and all officers of its controlled entities against all liabilities to another person (other than the Group or a related body corporate) that may arise from their position as Directors or officers of the Group and its controlled entities to the extent permitted by law.

During or since the financial year, the Group has paid premiums in respect of a contract insuring all the directors of the Group in respect of Wrongful Acts, Employment Practice Breach, or Trustee Breach as defined in the policy wording. This provides cover for the Group in respect of Directors and Officers Liability/Group Reimbursement, Entity, Employment Practices, Trustee, Crime and Taxation Investigation as defined in the policy wordings.

Insurance premiums

The Group has insured its indemnification of liabilities in respect of Directors and officers of the Group and its controlled entities. The total insurance contract premiums was US$5,590,600. In addition, there is an Australian policy premium of $6,905 paid.

Indemnity of auditors

Tritium has agreed to indemnify their auditors, PricewaterhouseCoopers, to the extent permitted by law, against any claim by a third party arising from Tritium's breach of their agreement. The indemnity stipulates that Tritium will meet the full amount of any such liabilities including a reasonable amount of legal costs.

Proceedings on behalf of the Group

No persons have applied to the Court under Section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Group, or to intervene in any proceedings to which the Group is a party for the purpose of taking responsibility on behalf of the Group for all or part of those proceedings.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this Director's Report.

Directors' meetings

During the year 15 Director's meetings, 5 Audit committee meetings, 2 Compensation committee meetings and 2 Nominating and Corporate Governance committee meetings were held and the number of meetings attended by each director were as follows:

	Directors' meetings	Meetings of committees		
		Audit	Compensation	Nominating and Corporate Governance
Robert Tichio	15	5	2	2
Trevor St Baker	11	-	2	-
Kenneth Braithwaite	10	-	2	2
Edward Hightower	12	5	-*	-
David Finn	14	-	-	2
Jane Hunter	10	-	-	-
Kara Phillips	11	5	-	-

All directors were eligible to attend all meetings held.

* Edward Hightower was appointed to the Compensation Committee effective 1 June 2022. No meetings of the Compensation Committee were held between 1 June 2022 and 30 June 2022.

Committee membership

As at the date of this report, the Group had an audit committee, a compensation committee and a nominating and corporate governance committee of the Board of directors.

Members acting on the committees of the board during the year were:

Audit	Compensation	Nominating and Corporate Governance
Adam Walker (c)**	Trevor St Baker (c)	Robert Tichio (c)
Robert Tichio	Robert Tichio	Jane Hunter
Edward Hightower	Kenneth Braithwaite	David Finn
	Edward Hightower*	

(c) designates the chair of the committee

*Edward Hightower was appointed to the Compensation Committee effective 1 June 2022

** Adam Walker was appointed to the Audit Committee effective 3 July 2022. Prior to this date Kara Phillips was the Chair of the Audit Committee.

Rounding

The amounts contained in the financial report have been rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

Workplace Gender Equality Public Report

In accordance with the requirements of the *Workplace Gender Equality Act 2012* (Cth), Tritium Pty Ltd submitted its Workplace Gender Equality Public Report with the Workplace Gender Equality Agency. The report can be accessed on Tritium's website at Investor FAQs | Tritium DCFC Limited (tritiumcharging.com).

This report is made in accordance with a resolution of Directors.

Robert Tichio
Director

Brisbane
30th day of September 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2022

	Note	12 months to 30 June 2022 US$'000	12 months to 30 June 2021 US$'000
Revenue from contracts with customers	4	85,821	56,157
Cost of sales of goods and services	5	(86,161)	(58,061)
Gross loss		(340)	(1,904)
Selling, general and administration expense	6	(68,636)	(28,066)
Product development expense	7	(7,746)	(5,383)
Depreciation and amortisation expense	8	(10,767)	(9,946)
Foreign currency (gain)/loss		(4,208)	(1,394)
Total operating costs and expenses		(91,357)	(44,789)
Loss from operations		(91,697)	(46,693)
Other income (expense), net:			
Other income	4	224	1,600
Finance costs	9	(24,910)	(15,196)
Warrants – fair value measurement	21	(3,491)	-
Listing expenses	37	(156,252)	-
Transaction and offering related fees	10	(21,098)	(4,794)
Total other income (expense)		(205,527)	(18,390)
Loss before income tax expense		(297,224)	(65,083)
Income tax expense	11	(20)	(11)
Loss after income tax expense for the year		(297,244)	(65,094)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		8,041	967
Other comprehensive income/(loss) for the year, net of tax		8,041	967
Total comprehensive loss for the year		(289,203)	(64,127)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 30 June 2022

	Note	30 June 2022 US$'000	30 June 2021 US$'000
Assets			
Current assets			
Cash and cash equivalents	12	70,753	6,157
Trade and other receivables	13	30,557	14,083
Inventories	14	55,706	36,430
Prepayments	15	4,873	918
Other financial assets	16	15,675	4,912
Total current assets		177,564	62,500
Non-current assets			
Property, plant and equipment	17	11,151	5,689
Intangibles	18	8,053	8,825
Right of use assets	19	23,552	17,695
Other financial assets	16	-	1,348
Total non-current assets		42,756	33,557
Total assets		**220,320**	**96,057**
Liabilities			
Current liabilities			
Trade and other payables	20	75,672	21,527
Borrowings	21	74	36,571
Employee benefits	23	2,653	2,037
Other provisions	24	1,604	7,055
Contract liabilities	26	37,884	9,540
Lease liabilities	19	3,264	2,596
Warrant Liability	21	12,340	-
Financial instruments (derivative instruments)	21	-	874
Total current liabilities		133,491	80,200
Non-current liabilities			
Borrowings	21	88,269	43,761
Employee benefits	23	217	125
Other provisions	24	2,652	2,543
Contract liabilities	26	2,231	1,618
Lease liabilities	19	24,726	18,178
Financial instruments (derivative instruments)	21	-	5,947
Total non-current liabilities		118,095	72,172
Total liabilities		**251,586**	**152,372**
Net assets/(liabilities)		(31,266)	(56,315)
Equity			
Issued capital	27	397,835	97,192
Reserves	28	23,855	2,205
Accumulated losses		(452,956)	(155,712)
Total Equity		(31,266)	(56,315)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

	Note	Ordinary Shares	"C" Class Shares	Note Reserves	Translations Reserve	Option Reserve	Warrant Fair Value Reserve	Distribution Reserve	Accumulated losses	Total Equity
		US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2020		92,809	4,383	338	(4,363)	2,179	-	-	(90,618)	4,728
Net Loss		-	-	-	-	-	-	-	(65,094)	(65,094)
Other comprehensive income for the year, net of tax		-	-	-	967	-	-	-	-	967
Share-based compensation		-	-	-	-	3,084	-	-	-	3,084
Balance at 30 June 2021		**92,809**	**4,383**	**338**	**(3,396)**	**5,263**	**-**	**-**	**(155,712)**	**(56,315)**
Balance at 1 July 2021		92,809	4,383	338	(3,396)	5,263	-	-	(155,712)	(56,315)
Net Loss		-	-	-	-	-	-	-	(297,244)	(297,244)
Issuance of Tritium DCFC ordinary shares to the legacy Tritium Class C shareholders		4,383	(4,383)	-	-	-	-	-	-	-
Conversion of Convertible Notes into DCFC ordinary shares		42,570	-	-	-	-	-	-	-	42,570
Issuance of Tritium DCFC ordinary shares to DCRN holders under the Business combination	37	143,502	-	-	-	-	-	-	-	143,502
Issuance of Tritium DCFC ordinary shares related to the Option Agreements and PIPE Financing		60,000	-	-	-	-	-	-	-	60,000
Issuance of Tritium DCFC ordinary shares related to the Shadow Equity Plan		11,845	-	-	-	-	-	-	-	11,845
Exercise of warrants		45,112	-	-	-	-	4,850	-	-	49,962
Share-based compensation		-	-	-	-	15,575	-	-	-	15,575
Transaction costs	37	(2,386)	-	-	-	-	-	-	-	(2,386)
Waiver of related party's option to acquire Tritium		-	-	-	-	-	-	(6,816)	-	(6,816)
Change in foreign currency translation adjustment		-	-	-	8,041	-	-	-	-	8,041
Balance at 30 June 2022		**397,835**	**-**	**338**	**4,645**	**20,838**	**4,850**	**(6,816)**	**(452,956)**	**(31,266)**

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 30 June 2022

	Note	12 months to 30 June 2022 US$'000	12 months to 30 June 2021 US'$000
Cash flows from operating activities			
Receipts from customer (inclusive of GST)		98,502	61,129
Payments to suppliers and employees (inclusive of GST)		(174,772)	(88,645)
Interest received		7	12
Interest paid		(3,419)	(533)
Income from government grants		18	1,346
Net cash used in operating activities	33	(79,664)	(26,691)
Cash flows from investing activities			
Payments for property, plant and equipment		(7,025)	(2,572)
Payment of assets in development, net of cash incentives	18	(6,285)	(5,138)
Net cash used in investing activities		(13,310)	(7,710)
Cash flows from financing activities			
Proceeds from issuance of ordinary shares in the Business Combination		53,182	-
Transaction costs		(3,808)	-
Proceeds from the exercise of warrants		26,572	-
Proceeds from issuance of ordinary shares pursuant to the PIPE Financing		15,000	-
Proceeds from issuance of ordinary shares pursuant to the Option Agreements		45,000	-
Proceeds from borrowings		117,527	-
Transaction costs for borrowings		(3,888)	-
Repayment of borrowings - external parties		(77,351)	-
Repayment of borrowings - related parties		(6,414)	-
Waiver of related party's option to acquire Tritium		(6,816)	-
Net proceeds from convertible notes		-	33,367
Payment of principal portion of lease liabilities		(2,859)	(631)
Net cash used in financing activities		156,145	32,736
Net increase / (decrease) in cash and cash equivalents		63,171	(1,665)
Cash and cash equivalents at the beginning of the financial year		6,157	7,702
Effects of exchange rate changes on cash and cash equivalents		1,425	120
Cash and cash equivalents at the end of the financial year	12	70,753	6,157

The accompanying notes are an integral part of these consolidated financial statement

Notes to the Consolidated Financial Statements
For the year ended 30 June 2022

1. GENERAL INFORMATION

Description of Business and General information

The financial statements cover Tritium DCFC Limited ("Tritium DCFC" or the "Group") as a consolidated entity consisting of Decarbonization Plus Acquisition Corporation II ("DCRN") and Tritium Holdings Pty Ltd ("Legacy Tritium" or "Tritium Holdings") and the entities it controlled at the end of, or during, the year. The financial statements are presented in United States Dollars ("USD"), which is Tritium DCFC's presentation currency.

Tritium DCFC is a publicly traded entity, listed on the Nasdaq, and domiciled in Australia. Its registered office and principal place of business are:

Registered office	Principal place of business
Tritium DCFC Limited 48 Miller St Murarrie Queensland 4172	Tritium DCFC Limited 31 Archimedes Place Murarrie Queensland 4172

A description of the nature of the consolidated entity's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 30 September 2022. The directors have the power to amend and reissue the financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These general purpose consolidated financial statements of Tritium DCFC Limited comply with Australian Accounting Standards as issued by the Australian Accounting Standards Board ("AASB"), the Corporations Act 2001, and other authoritative pronouncements of the AASB as appropriate for for-profit oriented entities. These financial statements comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB").

Historical cost convention
The financial statements have been prepared under the historical cost convention with the exception of certain financial liabilities (including derivative instruments) which have been measured at fair value.

Critical accounting estimates
The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

a) Going concern basis

These consolidated financial statements have been prepared on the basis that the Group is a going concern. At 30 June 2022, the Group had a total shareholders' deficit of $31.3 million (2021: negative net assets of $56.3 million). As disclosed in the financial report, the Group incurred losses after income tax of $297.2 million for the year ended 30 June 2022 (2021: $65.1 million). The Group incurred operating cash outflows of $79.7 million at 30 June 2022, compared to operating cash outflow of $26.7 million for the end to 30 June 2021. The Group had net current assets of $44.1 million at 30 June 2022 (2021: net current liabilities of $17.7 million).

As set out in Note 21, Note 37 and Note 38, the business combination, the CIGNA re-financing, the Post-Business Combination Financing, and the Option Agreements have provided the Group with additional funding to finance its expansion, as well as restructure and refinance the existing borrowings of the Group. The Group is also in the process of exploring various options for additional post-closing financing to further expand its operational activities to meet customer demand. As disclosed in Note 38, on 2 September 2022, the existing $90 million senior debt facility from Cigna & Barings has been extended by $60 million to a $150 million facility. The Group has also entered into a committed equity facility for up to $75 million with B.Riley Principal Capital II, LLC.

However, the Board approved cash flow forecasts for the Group indicate that the Group will continue to incur significant operating cash outflows for at least 12 months from the date of this report to fund its expansion. In addition, as detailed in Note 21, the Group also has external borrowing facilities with CIGNA that require the Group to maintain minimum liquidity reserve levels throughout the term of the arrangement. As a result of the above conditions there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

As such, the ability of the Group to continue as a going concern is principally dependent upon one or more of the following:

- the successful and profitable growth of the business;
- the ability of the Group to meet its cashflow forecasts; and
- the ability of the Group to raise capital as and when necessary.

While management has secured a level of additional funding, in order to fund the operating cashflows and maintain these minimum liquidity reserve levels, it is likely that additional working capital funding will be required. If the Group is unable to raise additional capital, it may be required to take additional measures to conserve liquidity, which could include, but not necessarily be limited to, curtailing operations and reducing overhead expenses. The Directors believe that the going concern basis of preparation is appropriate as the Group has a strong history of being able to raise capital from debt and equity sources.

Should the Group be unable to continue as a going concern, it may be required to realise its assets and extinguish its liabilities other than in the ordinary course of business, and at amounts that differ from those stated in these financial statements. These financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts or the amounts or classification of liabilities and appropriate disclosures that may be necessary should the Group be unable to continue as a going concern.

b) Parent entity information

In accordance with the Corporations Act 2001, these financial statements present the results of the consolidated entity only. Supplementary information about the parent entity is disclosed in note 34.

c) Basis for consolidation

Tritium Holdings is in the business of development, design, testing and manufacturing of innovative power electronic systems and renewable energy solutions. DCRN was incorporated in Delaware, United States of America on 4 December 2020. DCRN was formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganisation or similar business combination with one or more businesses. Tritium DCFC is a holding company incorporated in Australia on 7 May 2021 for the purpose of effectuating the Business Combination described below.

The financial statements include the financial position and performance of controlled entities as at 30 June 2022.

For the purpose of these financial statements, intragroup assets, liabilities, equity, income, expenses and cashflows relating to transactions between entities in the consolidated entity have been eliminated.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity.

Control is achieved when the Group has rights, to vary returns from its involvement with the entity and has the ability to affect those returns through its power over the officers or Key Management Personnel of the controlled entities. Specifically, the Group controls an entity if, and only if, the Group has:

- Power over the entity and its respective officers:
- Exposure, or rights, to variable returns from its involvement with the entity; and
- The ability to use its power over the entity to affect its return.

Generally, there is a presumption that a majority of voting rights results in control. To support this, where the Group has less than a majority of the voting or similar rights of an entity, the Group has considered all relevant facts and circumstances in assessing whether it has power over an entity, including:

- The contractual arrangement(s) with the other vote holders of the entity;
- Rights arising from other contractual arrangements; and
- The Group's voting rights and potential voting rights.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

c) Basis for consolidation CONTINUED

The Group re-assesses whether it controls an entity if facts and circumstances indicate that there are changes to one or more of the three elements of control. Assets, liabilities, income, and expenses of a subsidiary acquired (or disposed of) during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

A list of controlled entities is contained in note 32 to the financial statements.

Subsidiaries
Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

Foreign currency translation

Transactions and balances
Tritium DCFC's (the legal parent entity) functional currency is United States Dollars (USD), and subsidiaries have Australian Dollars (AUD), United States Dollars (USD), Euro (EUR) and British Pound (GPB) as their functional currency. The Group's reporting currency is United States Dollars (USD).

Foreign currency transactions
Foreign currency transactions are translated into USD using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

Group companies
The financial results and position of foreign operations whose functional currency is different from Tritium DCFC's presentation currency are translated as follows:

- assets and liabilities are translated at year end exchange rates prevailing at that reporting date;
- income and expenses are translated at average exchange rates for the period where the average rate approximates the rate at the date of the transaction; and
- retained earnings are translated at the exchange rates prevailing at the date of the transaction.

Exchange differences arising on translation of foreign operations are transferred directly to Tritium DCFC's foreign currency translation reserve in the statement of financial position. These differences are recognised in the statement of profit or loss and other comprehensive income in the period in which the operation is disposed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(e) Revenue and other income

Revenue from contracts with customers
Revenue is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Group follows a five-step process:
- Identifying the contract with a customer;
- Identifying the performance obligations in the contract;
- Determining the transaction price which takes into account estimates of variable consideration and the time value of money;
- Allocating the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and
- Recognising revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Revenue is recognised when or as the control of the goods or services are transferred to customer. Depends on the terms of the contract, control of the goods or service may be transferred over time or a point in time. If the control of goods or services transfers over time, revenue is recognised over the period of the contract by reference to the progress towards satisfying the performance obligation, otherwise, revenue is recognised at a point in time when the customer obtains control of the goods and services.

Contracts with customers may include more than one performance obligation. For such arrangements, the Group allocates the contract price to each distinct performance obligation based on relative standalone selling price. All revenue is stated net of the amount of taxes. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of product
The Group generates revenue from the sale of electric vehicle chargers. The contracts with customers include distinct performance obligations relating to the sale of goods and other related services. The overall contract price is allocated to the distinct performance obligations based on the relative standalone selling price. Revenue from sale of electric vehicle chargers is recognised at a point in time when the Group transfers control of the assets to the customer.

The Group also provides for standard warranty rights for general repairs for either two or three years on all electric vehicle chargers sold. This standard warranty is not considered to be a separate performance obligation. The estimated warranty costs are recognised as a liability when the Group transfers control of the goods to a customer.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(e) Revenue and other income CONTINUED

Rendering of services revenue

The Group generates revenue from services in relation to installation, repair, maintenance, and training. Generally, revenue in relation to rendering of services is recognised when the service has been provided, either over time or at a point in time. The Group recognises the material portion of their revenue from services at a point of time when the service is delivered (i.e., For installation and repairs). However, if the service is performed over a period of time and if the outcome can be estimated reliably then the stage of completion of the services based on an input method (i.e., costs incurred) is used to determine the appropriate level of revenue to be recognised in the period.

The Group provides an extended warranty to its customers for an additional fee. Extended warranty revenue is recognised as a contract liability on receipt and recognised over the period in which the service is provided based on the time elapsed (this commences after the standard warranty expires).

Bill-and-hold transactions

In certain circumstances, the Group's customers may request the Group to store products on the customer's behalf until the customer is ready to collect or have the goods delivered to their specified location. This may arise if customers are not ready to take delivery as a result, generally, of delays in their site construction and rollout or obtaining necessary customs clearances. In these situations, the transfer of control of these products to the customer occurs when the finished products are ready for delivery to the customer. In assessing the transfer of control in these "bill-and-hold" arrangements, we assess whether the Group

- billed the customers in full;
- made the products available for the customer, end of line testing of the product is completed and notification made of the completion of manufacture;
- identified the product physically and systematically as belonging to a specific customer and segregated in our warehouse; and
- does not have the ability to direct the product to a different customer.

In assessing bill-and-hold arrangements, the Group is required to make a judgement on whether there is commercial substance to the customer's request and that the customer agrees that control has passed and the Group has the right to bill the customer.

Costs to obtain a contract

Costs to obtain a contract mainly relate to commissions paid to the Group's sales personnel. As contract costs related to sales are typically fulfilled within one year, the costs to obtain a contract are expensed as incurred. Amounts billed to customers related to shipping and handling are classified as revenue. The cost for freight and shipping are recognised as an expense in cost of sales of goods and services sold when control over the chargers, parts or accessories have transferred to the customer.

Contract liabilities

A contract liability balance typically arises due to allocation of a part of the consideration received to unsatisfied performance obligations, including extended warranty obligations under revenue contracts. Contract liabilities also arise due to receipt of advances from the customer, prior to satisfaction of performance obligations. The Group's balance sheet includes customer advances and unearned revenue as contract liabilities.

Grant income

The Group received government incentives during the reporting periods in the form of the Job Keeper program which was a program aimed to support companies as a result of the COVID 19 pandemic. Grant income is recognised in the Consolidated Statement of Profit or Loss and Other Comprehensive Income when the Group is entitled to the grant, it can be measured reliably, and it is probable that the economic benefits gained from the grant will be received. It is recognised as a liability until these conditions have been met. Government grants received by the Group are typically for the reimbursement of expenses incurred.

Interest

Interest is recognised using the effective interest method.

Other income

Other income is recognised on an accruals basis when the Group is entitled to it.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(f) Income tax

The tax expense recognised in the statement of profit or loss and other comprehensive income comprises of current income tax expense and deferred tax expense.

Current income tax expense

Current tax is the amount of income taxes payable (recoverable) in respect of the taxable profit (loss) for the year. This is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates and laws that have been enacted or substantively enacted by the end of the reporting period. Current tax liabilities (assets) are measured at the amounts expected to be paid to (recovered from) the relevant taxation authority.

Deferred tax assets and liabilities

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax is recognised as income or an expense and included in profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income (OCI) or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(g) Current and non-current classification

The Group presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:
- Expected to be realised or intended to be sold or consumed in the normal operating cycle; or
- Held primarily for the purpose of trading; or
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in the normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- Short-term loans are classified as long term if the entity intends to refinance the loan on a long-term basis and, prior to issuing the financial statements, the entity can demonstrate an ability to refinance the loan by meeting specific criteria.

(h) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments that are readily convertible to known amounts of cash with an original maturity date of less than 90 days and which are subject to an insignificant risk of changes in value.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

(i) Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Trade accounts receivable are recorded at the invoiced amount and do not bear interest. Amounts collected on trade accounts receivable are included in net cash provided by operating activities in the Consolidated Statement of Cash Flows. The Group records an allowance for expected credit losses for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, the Group uses the simplified approach and considers historical losses adjusted to take into account current market conditions and the Group's customers' financial condition, the value of receivables in dispute, and the current receivables aging and current payment patterns. The Group reviews its allowance for credit losses monthly. The Group does not have any off-balance-sheet credit exposure related to its customers.

Trade accounts are generally written off as bad debts when they are in dispute and significantly aged where the recoverability is considered unlikely. Balance are not considered past due until they are 30 days after the original due date of the payment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(j) Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale. The cost of inventory is determined using a weighted average approach basis and is net of any rebates and discounts received.

The cost of inventory included in the profit and loss statement includes directly attributable overhead costs to manufacture, raw material purchases, associated freight and labour costs.

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the aging of inventories and other factors that affect inventory obsolescence. The inventory obsolescence provision recognised as at 30 June 2022 is $0.5 million. There is no material provision for impairment recognised as at 30 June 2021.

(k) Property, plant and equipment

Each class of property, plant and equipment is carried at cost less, where applicable, any accumulated depreciation and impairment. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

Property, plant and equipment, excluding freehold land, is depreciated on a straight-line and diminishing balance basis over the asset's useful life to the Group, commencing when the asset is ready for use.

Leasehold improvements are amortised over the shorter of either the unexpired period of the lease or their estimated useful life.

The depreciation rates used for each class of depreciable asset are shown below:

- Plant and equipment 12.5% - 33.34%
- Furniture, Fixtures and Fittings 10.00%
- Motor Vehicles 33.34%
- Office Equipment 20.00%
- Computer Equipment 33.34%

An item of property, plant and equipment and any material part initially recognised is derecognised upon disposal.

Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

The costs of maintenance and repairs are expensed as incurred.

(l) Leases

The Group leases a number of office and warehouse facilities for its operations.

The Group as Lessee

The Group assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time and obtain all the output, in exchange for consideration. In such instances, the Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements, except for short term leases or leases of a low value. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(l) Leases CONTINUED

Right-of-use assets

The right-of-use assets recognised by the Group comprise the initial measurement of the related lease liability, any lease payments made at or before the commencement of the contract, less any lease incentives received and any direct costs. Costs incurred by the Group to dismantle the asset, restore the site, or restore the asset are included in the cost of the right-of-use asset.

The right-of-use assets are depreciated on a straight-line basis from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The right-of-use assets are periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

Extension options

The lease term for the Group's leases includes the non-cancelable period of the lease plus any additional periods covered by either the Group's option to extend (or not to terminate) the lease that the Group is reasonably certain to exercise, or an option to extend (or not to terminate) the lease controlled by the lessor.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate.
Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Group presents right-of-use assets that do not meet the definition of investment property in "Right of use assets" and leases liabilities in "lease liabilities" in the statement of financial position.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to any short-term leases of machinery and equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of any office equipment that are of a low value. Any lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(m) Intangible assets

Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit & loss in the expense category this is consistent with the function of the intangible assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(m) Intangible assets CONTINUED

Any cash amounts received from government agencies (except for Jobkeeper payments received during the year to 30 June 2020 and 30 June 2021) as tax research and development incentive is recorded against intangible assets to the extent that the government grant compensates for development costs capitalised. At period end amounts due are offset as a receivable in the statement of financial position.

Intangible assets with indefinite useful lives are not amortised but are tested for impairment annually. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Research and development

Expenditure during the research phase of a project is recognised as an expense when incurred. Development costs are capitalised only when the group can demonstrate:

- The technical feasibility of completing the intangible asset so that the asset will be available for use or sale;
- Its intention to complete and its ability and intention to use or sell the asset;
- How the asset will generate future economic benefits; and
- The availability of resources to complete the asset.

The expenditure capitalised includes the cost of materials, direct labour and overhead costs that are directly attributable to preparing the asset for its intended use. Other development expenditure is recognised in profit or loss as incurred.

Capitalised development costs are measured at cost less accumulated amortisation and accumulated impairment losses.

Development costs have a finite life and are amortised on a systematic basis matched to the future economic benefits over the useful life of the project which is generally 3 years.

Amortisation

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. Amortisation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(n) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial Assets

Initial recognition and measurement

Financial assets are classified following their measurement, at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(n) Financial instruments CONTINUED

The Group's financial assets at amortised cost includes cash and short-term deposits and trade receivables.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset and all the risks and rewards of ownership.

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Group's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

The expected credit loss matrix is contained in note 13 to the financial statements.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings and derivative financial instruments.

Subsequent measurement

Financial liabilities are subsequently measured at:
- amortised cost; or
- fair value through profit or loss

A financial liability is measured at fair value through profit or loss if the financial liability is:
- held for trading; or
- initially designated as at fair value through profit or loss.

All other financial liabilities are subsequently measured at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest expense to profit or loss over the relevant period.

The effective interest rate is the internal rate of return of the financial asset or liability. That is, it is the rate that exactly discounts the estimated future cash flows through the expected life of the instrument to the net carrying amount at initial recognition.

A financial liability is held for trading if it is:
- incurred for the purpose of repurchasing or repaying in the near term;
- part of a portfolio where there is an actual pattern of short-term profit taking; or
- a derivative financial instrument (except for a derivative that is in a financial guarantee contract or a derivative that is in an effective relationship).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(n) Financial instruments CONTINUED

Any gains or losses arising on changes in fair value are recognised in profit or loss to the extent that they are not part of a designated hedging relationship.

The change in fair value of the financial liability attributable to changes in the issuer's credit risk is taken to other comprehensive income and is not subsequently reclassified to profit or loss. Instead, it is transferred to retained earnings upon derecognition of the financial liability.

If taking the change in credit risk to other comprehensive income enlarges or creates an accounting mismatch, these gains or losses should be taken to profit or loss rather than other comprehensive income.

A financial liability cannot be reclassified.

The Group has not designated any financial liability as at fair value through profit or loss.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Convertible Notes

The Group recognises convertible notes as liabilities in the balance sheet at their initial fair value and subsequently at amortised cost, to accrue the value to the redemption amount. On issuance of the convertible debt, the fair value of the liability component is determined using a market rate for an equivalent non-convertible instrument. This amount is classified as a financial liability measured at amortised cost (net of transaction costs) until it is extinguished on conversion or redemption.

The remainder of the proceeds is allocated to the conversion option that is recognised and included in equity. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not remeasured in subsequent years.

Transaction costs are apportioned between the liability and equity components of the convertible debt, based on the allocation of proceeds to the liability and equity components when the instruments are initially recognised.

Derivative Instruments

The Group recognises all derivative instruments as either assets or liabilities in the balance sheet at their respective fair values. The Group evaluates its debt and equity issuances to determine if those contracts or embedded components of those contracts qualify as derivatives requiring separate recognition in the Group's financial statements. The result of this accounting treatment is that the fair value of the embedded derivative is revalued at each balance sheet date and recorded as a liability and the change in fair value during the reporting period is recorded in other income (expense) in the Consolidated Statement of Profit or Loss. The current or non-current classification of derivative instruments is reassessed at the end of each reporting period. Derivative instrument liabilities are classified in the balance sheet as current or non-current based on whether or not net-cash settlement of the derivative instrument is expected within twelve months of the balance sheet date.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(o) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Critical Accounting estimates and judgments (note 3)
- Property, plant and equipment (note 17)
- Intangible assets (note 18)

The Group assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators. The Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each asset.

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period. If such indications exist, the Group estimates the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

(p) Trade and other payables

These amounts represent liabilities for goods and services provided to the consolidated entity prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(q) Borrowings

Loans, convertible notes and borrowings are initially recognised at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

Where there is an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, the loans or borrowings are classified as non-current.

(r) Finance costs

Finance cost includes all interest-related expenses, other than those arising from financial assets at fair value through profit or loss.

Finance costs are recognised as expenses in the period in which they are incurred. Interest on borrowings are recognised using the effective interest method.

(s) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provision for warranties
The Group provides a manufacturer's standard warranty on all electric vehicle chargers sold. The Group recognises a warranty provision for the products sold based on the present value of future cash flows estimated to be required to settle the warranty obligation. The future cash flows have been estimated by reference to the Group's history of warranty claims.

The Group considers the standard warranty is not providing incremental service to customers rather an assurance to the quality of the electric vehicle charger, and therefore is not a separate performance obligation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(s) Provisions CONTINUED

The Group also provides extended warranty services separately to the standard warranty. The extended warranty is an incremental service provided to the customers and as such the extended warranty is a separate performance obligation distinct from other promises and should be accounted for in accordance with AASB 15 - Revenue from Contracts with Customers.

The Group also recognises a provision for future extended warranty measured at the present value of management's best estimate of the outflow required to settle the obligation at the end of the reporting period.

The portion of the warranty provision expected to be incurred within the next 12 months is included within current provisions, while the remaining balance is included within non-current provisions in the Consolidated Statement of Financial Position. Warranty expense is recorded as a component of cost of sales of goods and services in the Consolidated Statement of Profit or Loss.

(t) Employee benefits

Employee benefits

Provisions are made for the Group's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled.

Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements.

Wages, salaries, annual and long service leave

The provision for employee entitlements to wages, salaries and annual and long service leave represents the amount which the Group has a present obligation to pay resulting from employees' services provided up to the reporting date. Provisions have been calculated based on expected wage and salary rates and include related on-costs. In determining the liability for these employee entitlements, consideration is given to estimated future increases in wage rates, and the Group's experience with staff departures.

Pension contribution

Defined contribution pension plans exist to provide benefits for eligible employees or their dependants. Contributions by the Group are expensed to Consolidated Statement of Profit or Loss and Other Comprehensive Income as incurred.

Annual bonus

The Group recognises a liability for bonuses based on a formula that takes into consideration the specific performance indicators outlined in employee contracts. The Group recognises a liability where it is contractually obliged to pay an amount under the bonus plan or where there is a past practice that has created a constructive obligation.

Termination

Termination benefits are recognised as an expense when the Group is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to terminate employment before the normal retirement date. Termination benefits for voluntary redundancies are recognised if the Group has made an offer encouraging voluntary redundancy, it is probable that the offer will be accepted, and the number of acceptances can be estimated reliably.

Share-based payments (issued prior to Business Combination Agreement)

Employees of the Group received remuneration in the form of share-based arrangements, whereby employees render services as consideration for equity instruments under the Groups Loan Funded Share Plan (LFSP), or cash settlement under the Groups Shadow Equity Plan (SEP).

Awards issued under the LFSP are equity settled arrangements and are measured at the fair value of these awards at the grant date. A Black-Scholes model is utilised to estimate the fair value. The Group recognises this share-based compensation expense at grant date as there are no service conditions attached to LFSP equity awards.

For share-based compensation, the expense is measured at the grant date, based on the fair value of the award considering the market conditions, and then recorded over the requisite service period if the performance condition is probable. Because there was no public market for common shares, the fair value of the common shares at the time of grant is considered the price per share paid by investors in the company's private financings in addition to independent external valuations obtained. Additionally, in applying the Black-Scholes model, the Group has assessed the implied volatility utilised by estimating based on similar publicly traded peer companies (as it has no

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(t) Employee benefits CONTINUED

Employee benefits continued company-specific performance measures). Further details as to the inputs into the fair value of the respective grants is outlined in note 22.

Awards issued under the Group's SEP were originally cash-settled arrangements. The Group recognises cash settled transactions as a liability on award grant. The Group initially measures the cash-settled transactions with employees at fair value to determine the fair value of the liability incurred.

The Group recognises share-based compensation over the period during which an employee is required to provide a service in exchange for the award. For cash-settled share-based payment transactions, the liability is remeasured at the end of each reporting period up to the date of settlement, with any changes in the expected settlement amounts recognised in comprehensive income as a share-based compensation expense over the period during which an employee is required to provide service in exchange for the award. This requires a reassessment of the estimates used at the end of each reporting period.

Subsequent to the Business Combination, Tritium DCFC's board of directors made a determination that the benefit owed to participants under the SEP could be paid to participants in the form of cash or shares and settle awards through the issuance of Ordinary Shares.

Share-based payments (Post Business Combination Agreement)

Employees of the Group receive remuneration in the form of share-based arrangements, whereby employees render services as consideration for equity instruments under the Employee Share Scheme and Long Term Incentive Plan. Refer to note 22 for additional details.

For share-based compensation, the expense is measured at the grant date, based on the fair value of the award considering the market conditions, and then recorded over the requisite service period if the performance condition is probable. Where the service period has commenced prior to the grant date, an estimate of the fair value of the award has been determined to record the requisite expense. The Group recognises share-based compensation over the period during which an employee is required to provide a service in exchange for the award.

(u) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principle market for the asset or liability; or
- In the absence of a principle market, in the most advantageous market for the asset or liability.

The principle or the most advantageous market must be accessible by the Group.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Fair-value related disclosures for financial instruments and non-financial assets that are measured at fair value or where fair values are disclosed are summarised in the following notes (where relevant):

- Financial Instruments - note 21

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(u) Fair value measurement CONTINUED

The Group uses valuation approaches that maximise the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Group determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorised in one of the following levels:

- Level 1 inputs: Unadjusted quoted prices in active markets for identical assets or liabilities accessible to the reporting entity at the measurement date.
- Level 2 inputs: Other than quoted prices included in Level 1 inputs that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability.
- Level 3 inputs: Unobservable inputs for the asset or liability used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

The fair value hierarchy also requires an entity to maximise the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is material to the fair value measurement.

(v) Share capital

As at 30 June 2022, there were 153,094,269 Tritium DCFC ordinary shares issued (99,915,561 legacy Tritium Common Shares as at 30 June 2021, as retrospectively adjusted by applying the conversion factor of 1.4716625 established by the Business Combination). As at 30 June 2021, there were 8,052,499 legacy Tritium class C shares (as retrospectively adjusted by applying the conversion factor of 1.4716625 established by the Business Combination) outstanding which were fully converted into the Company's ordinary shares during the year ended 30 June 2022.

The terms, rights, preferences, and privileges of the DCFC ordinary shares are as follows:

Voting Rights
Each holder of DCFC ordinary shares and is entitled to one vote for each common share held on all matters submitted to a vote of the shareholders, including the election of directors.

Dividends
The holders of the Company's outstanding ordinary shares are entitled to receive dividends, if any, as may be declared by the Group's board of directors out of legally available funds.

Liquidation
In the event of the Group's liquidation, dissolution or winding up, holders of common shares will be entitled to shares rateably in the net assets legally available for distribution to shareholders after the payment of all the Group's debts and other liabilities.

(w) Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

All receivables and payables included in these financial statements are inclusive of GST. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

(x) Economic dependence

The Group is not dependent on any key customers or suppliers to operate the business.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(y) New Accounting Standards and Interpretations adopted or not yet mandatory

New and amended standards and interpretations

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1 June 2021 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Interest Rate Benchmark Reform – Phase 2: Amendments to AASB 9, AASB 139, AASB 7, AASB 4 and AASB 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform to be treated as change to a floating interest rate, equivalent to a movement in a market rate of interest;
- Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued
- Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to AASB 16

The amendments provide relief to lessees from applying AASB 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification. The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the period of application of the practical expedient was extended to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group has not received Covid-19-related rent concessions.

New and amended standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to AASB 101: Classification of Liabilities as Current or non current

The AASB issued amendments to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement;
- That a right to defer must exist at the end of the reporting period;
- That classification is unaffected by the likelihood that an entity will exercise its deferral right;
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 July 2023 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(y) New Accounting Standards and Interpretations adopted or not yet mandatory CONTINUED

Definition of Accounting Estimates - Amendments to AASB 108

Amendments to AASB 108 have been made in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. They also clarify how entities use measurement techniques and inputs to develop accounting estimates. The amendments are effective for annual reporting periods beginning on or after 1 July 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed. The amendments are not expected to have a material impact on the Group's financial statements

Disclosure of Accounting Policies - Amendments to AASB 101 and IFRS Practice Statement 2

In February 2021, amendments to AASB 101 and IFRS Practice Statement 2 Making Materiality Judgements was issued, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments to AASB 101 are applicable for annual periods beginning on or after 1 July 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary. The Group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to AASB 112

In May 2021, the Board issued amendments to AASB 12, which narrow the scope of the initial recognition exception under AASB 112, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences. The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. The Group is currently assessing the impact of the amendments.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

Amendments to AASB 137 where issued to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments are effective for annual reporting periods beginning on or after 1 July 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

(z) Warrant Liabilities

The Group assumed 13,416,592 publicly-traded warrants ("Public Warrants") and 8,366,667 private placement warrants issued to Decarbonization Plus Acquisition Sponsor II LLC, the sponsor of DCRN ("Private Placement Warrants" and, together with the Public Warrants, the "Common Stock Warrants") upon the Business Combination, all of which were issued in connection with DCRN's initial public offering and subsequent overallotment and entitle the holder to purchase one share of the Company's Common Stock, par value $0.0001 ("Common Stock"), at an exercise price of $10.00 per share. During the fiscal year ended 30 June 2022, 4,379,462 Public Warrants and 8,125,520 Private Placement Warrants were exercised. The remaining 9,037,130 Public Warrants and 241,147 Private Warrants remain outstanding. The Public Warrants, prior to their redemption, were publicly traded and were exercisable for cash unless certain conditions occurred, such as the redemption by the Company under certain conditions, at which time the warrants could be cashlessly exercised, or the Company's failure to have an effective registration statement related to the shares issuable upon exercise. The Private Placement Warrants are not redeemable for cash so long as they are held by the initial purchasers or their permitted transferees but may be redeemable for Common Stock if certain other conditions are met. If the Private Placement Warrants are held by someone other than the initial purchasers or their permitted transferees, the Private Placement Warrants are redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

The Company evaluated the Common Stock Warrants and concluded that they do not meet the criteria to be classified within stockholders' equity. The agreement governing the Common Stock Warrants includes a provision ("Replacement of Securities Upon Reorganization"), the application of which could result in a different settlement value for the Common Stock Warrants depending on their holder. Because the holder of an instrument is not an input into the pricing of a fixed-for-fixed option on the Company's ordinary shares, the Private Placement Warrants are not considered to be "indexed to the Company's own stock." In addition, the provision provides that in the event of a tender or exchange offer accepted by holders of more than 50% of the outstanding shares of the Company's ordinary shares, all holders of the Common Stock Warrants (both the Public Warrants and the Private Placement Warrants) would be entitled to receive cash for all of their Common Stock Warrants. Specifically, in the event of a qualifying cash tender offer (which could be outside of the Company's control), all Common Stock Warrant holders would be entitled to cash, while only certain of the holders of the Company's ordinary shares may be entitled to cash. These provisions preclude the Company from classifying the Common Stock Warrants in stockholders' equity. As the Common Stock Warrants meet the definition of financial liability, the Company has recorded these warrants as liabilities in the consolidated statement of financial position at fair value, with subsequent changes in their respective fair values recognized in the consolidated statements of operations and comprehensive loss at each reporting date.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances.

The significant estimates and judgements made have been described below.

Determining the lease term of contracts with renewal and termination options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has several lease contracts that include extension and termination options. The Group applies judgement in evaluating whether it is reasonably certain whether to exercise the option to renew or terminate the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate (e.g., construction of significant leasehold improvements or significant customisation to the leased asset).

The Group includes the renewal period as part of the lease term for leases of property, plant and machinery with shorter non-cancellable periods (i.e., three to five years). The Group typically exercises its option to renew for these leases because there will be a significant negative effect on production if a replacement asset is not readily available. The renewal periods for leases of plant and machinery with longer non-cancellable periods (i.e., 10 to 15 years) are not included as part of the lease term as these are not reasonably certain to be exercised. In addition, the renewal options for leases of motor vehicles are not included as part of the lease term because the Group typically leases motor vehicles for not more than five years and, hence, is not exercising any renewal options. Furthermore, the periods covered by termination options are included as part of the lease term only when they are reasonably certain not to be exercised.

Refer to note 19 for information on potential future rental payments relating to periods following the exercise date of extension and termination options that are not included in the lease term.

Share-based payment transactions

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them.

The Group initially measures the cost of cash-settled transactions with employees using the Black-Scholes model to determine the fair value of the liability incurred. For cash-settled share-based payment transactions, the liability needs to be remeasured at the end of each reporting period up to the date of settlement, with any changes in fair value recognised in profit or loss. This requires a reassessment of the estimates used at the end of each reporting period. The vesting period has been estimated as 7 months from 30 June 2021.

For the measurement of the fair value of both the equity-settled and cash-settled transactions with employees, the Group uses the Black-Scholes model.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS CONTINUED

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

Provision for impairment of inventories

The provision for impairment of inventories assessment requires a degree of estimation and judgement. The level of the provision is assessed by taking into account the recent sales experience, the ageing of inventories and other factors that affect inventory obsolescence.

Estimation of useful lives of assets

The consolidated entity determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Intangible assets

The Group capitalises development costs for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technology and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 30 June 2022, the carrying amount of capitalised development costs was $8,053,000 (2021: $8,825,000). The realisation of the assets capitalised is dependent on the Group continuing as a going concern. Should the group not continue as a going concern the assumptions supporting the carrying value of these assets may not hold true and the assets would be impaired, likely to an insignificant amount.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

Employee benefits provision

As discussed in note 2, the liability for employee benefits expected to be settled more than 12 months from the reporting date are recognised and measured at the present value of the estimated future cash flows to be made in respect of all employees at the reporting date. In determining the present value of the liability, estimates of attrition rates and pay increases through promotion and inflation have been considered.

Warranty provision

The Group has recognised a warranty provision on the basis it is probable an outflow of cash or other economic resources will be required to settle the provision.

The provision is measured at the amount the Group would rationally pay to settle the obligation at the end of the reporting period. Risks and uncertainties are taken into account in measuring a provision.

Bill-and-hold transactions

In certain circumstances, the Group recognises revenue from sale of goods on a bill-and-hold basis. In assessing bill-and-hold arrangements, the Group is required to make a judgement on whether there is commercial substance to the customer's request and that the customer agrees that control has passed and the Group has the right to bill the customer. Refer Note 2 *Summary of Significant Accounting Policies* and Note 4 *Revenue and Other Income* for additional details.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS CONTINUED

Accounting for the Business Combination transaction

The Group has applied judgment in determining the accounting for the Business Combination transaction. This is particularly in relation to determining the deemed accounting acquirer, recognition of a deemed listing expense and capitalisation of transaction costs incurred in relation to the Business Combination transaction. Refer Note 2 *Summary of Significant Accounting Policies* and Note 37 *Business combination and listing transaction* for additional information.

4. REVENUE AND OTHER INCOME

	2022 US$'000	2021 US$'000
Revenue from contracts with customers		
Sale of product	80,832	53,562
Sale of service	4,989	2,595
Total revenue from contracts with customers	85,821	56,157
Other income		
Other interest received	7	12
Government grants	18	1,418
Other revenue	199	170
Total other income	224	1,600
Total revenue and other income	86,045	57,757

During the year ended 30 June 2022, a number of customers, including two of our most significant customers, requested us to provide our products on a bill-and-hold basis. Changes and delays to the customers' site rollout schedules has contributed to the significant bill-and-hold arrangements for this period. The revenue under the bill-and-hold arrangements for the year ended 30 June 2022 contributed to 16% of our total revenue.

Sale of hardware reflects the revenues from the sale of electric vehicle chargers. Hardware revenue is broken down into the sale of Standalone, or Distributed Chargers, or other products provided to customers. This revenue is recognised at a point in time when the performance obligations per the terms of a contract are satisfied. Depending on specific contract terms, this may be at delivery or dispatch, or when bill and hold criteria are met.

Service and maintenance revenues can reflect either a point in time or an overtime obligation dependent on the services provided. The substantial portion of service and maintenance revenue is satisfied at a point in time, with the exception of Service Level Agreements which are recorded over time.

5. COST OF SALES OF GOOD AND SERVICES

	2022 US$'000	2021 US$'000
Cost of sales of goods and services	(86,161)	(58,061)

6. SELLING, GENERAL AND ADMINISTRATION EXPENSE

	2022 US$'000	2021 US$'000
Salaries, wages, and other employee benefits	(22,582)	(14,544)
Share-based payments	(28,188)	(8,467)
Professional fees	(5,625)	(1,470)
Insurance	(3,370)	(627)
IT and communications	(6,247)	(1,660)
Sales and marketing	(449)	(188)
Travel, meals, and accommodation expenses	(1,400)	(178)
Occupancy	(93)	(122)
Expected credit losses on trade receivables	(61)	(148)
Bad debt expenses	(73)	(21)
Other operating expenses	(58)	(351)
Other administration expenses	(490)	(290)
Total selling, general and administration expense	(68,636)	(28,066)

7. PRODUCT DEVELOPMENT EXPENSE

	2022 US$'000	2021 US$'000
Salaries, wages and employee benefits	(11,532)	(8,078)
Product development expenses	(2,499)	(2,443)
Less capitalised development expenses	6,285	5,138
Total product development	(7,746)	(5,383)

8. DEPRECIATION AND AMORTISATION EXPENSE

	2022 US$'000	2021 US$'000
Depreciation of property, plant and equipment	(1,582)	(2,282)
Amortisation of intangible assets	(6,314)	(5,218)
Depreciation of right of use asset	(2,871)	(2,446)
Total depreciation and amortisation expense	(10,767)	(9,946)

9. FINANCE COSTS

	2022 US$'000	2021 US$'000
Interest on debt and borrowings (Note 21)	(17,108)	(8,588)
Interest on lease liabilities (Note 19)	(556)	(510)
Other finance costs	(994)	(205)
Fair value movements – derivatives	(6,252)	(5,893)
Total finance costs	(24,910)	(15,196)

10. TRANSACTION AND OFFERING RELATED FEES

	2022 US$'000	2021 US$'000
Professional & advisory fees	(17,801)	(4,794)
FBT tax expense	(5,683)	-
Transaction costs capitalised	2,386	-
Total transaction and offering related fees	(21,098)	(4,794)

Transaction and offering related fees presented above are transactions costs in relation to the Business Combination. The FBT tax expense incurred is a result of the modification of various LSFSP grants made to executives as a result of the business combination.

11. INCOME TAX EXPENSE

There is no provision for income taxes because the Group has historically incurred operating losses and has not recorded any deferred tax assets for losses as their recoverability is not certain.

A reconciliation of the statutory income tax rate to the Group's effective income tax rate is as follows:

	2022 $'000	2021 $'000
Loss before income tax expense	(297,224)	(65,083)
Tax at the statutory tax rate of 30%	(89,167)	(19,525)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Foreign tax rate differential	575	321
Non-deductible items	48,732	3,389
Current year tax losses and temporary difference not brought to account	39,840	15,804
Effective income tax expense	(20)	(11)

12. CASH AND CASH EQUIVALENTS

	2022 US$'000	2021 US$'000
Cash at bank	70,753	6,157
Total cash and cash equivalents	70,753	6,157

Cash and cash equivalents represent cash held with financial institutions. Under the $90.0 million CIGNA Refinance Loan agreement disclosed in Note 21, the Group is required to maintain a Liquidity Reserve that is no less than $65.0 million. As disclosed in Note 38, the Liquidity Reserve requirement was reduced from $65.0 million to $25 million pursuant to the First Amendment Deed on 13 July 2022.

13. ACCOUNTS RECEIVABLE, NET OF ALLOWANCE FOR EXPECTED CREDIT LOSSES

	2022 US$'000	2021 US$'000
Trade receivables	28,575	12,418
Less: allowance for expected credit losses	(275)	(227)
GST/VAT receivables	1,150	1,037
Other receivables	1,107	855
Total and other receivables	30,557	14,083

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	2022	2021	2022	2021	2022	2021
	%	%	US$'000	US$'000	US$'000	US$'000
Less than 30 days past due	-	-	16,337	7,867	-	-
30 to 60 days past due	-	-	1,674	2,512	-	-
61 to 90 days past due	-	-	710	562	-	-
Greater than 90 days past due	2.8	15.4	9,854	1,477	(275)	(227)
			28,575	12,418	(275)	(227)

14. INVENTORIES

	2022 US$'000	2021 US$'000
Raw materials and consumables	45,337	24,431
Work in progress	4,561	1,132
Finished goods	3,457	10,069
Stock in transit	2,845	798
Inventory obsolescence provision	(494)	-
Total Inventories	55,706	36,430

Inventory has been recorded at the lower of cost or net realisable value. A total of $0.5 million is recognised in inventory obsolescence provisions at 30 June 2022 (Nil as at 30 June 2021).

15. PREPAYMENTS

	2022 US$'000	2021 US$'000
Prepayments	4,873	918

Prepaid expenses reflect the monies paid for operating expenses to be expensed over the committed term. The $4.9 million as at 30 June 2022 is primarily related to the prepaid premium for director and officer liability insurance.

16. OTHER FINANCIAL ASSETS

	2022 US$'000	2021 US$'000
Current assets		
Term deposits held against bank guarantees	3,796	401
Supplier deposits	11,879	4,511
Total other financial assets (current)	15,675	4,912
Non-current assets		
Term deposits held against bank guarantees	-	1,348
Total other financial assets (non-current)	-	1,348
Total other financial assets	15,675	6,260

Supplier deposits are funds paid by the Group to suppliers for manufacturing and prepayments for services or utilities to be provided and invoiced later by the supplier.

17. PROPERTY, PLANT AND EQUIPMENT

	30 June 2022 US$'000	30 June 2021 US$'000
Non-current assets		
Leasehold improvements	3,464	3,524
Less: accumulated depreciation	(2,167)	(1,741)
Total leasehold improvements	1,297	1,783
Plant and equipment	6,515	5,647
Less: accumulated depreciation	(2,887)	(2,158)
Total plant and equipment	3,628	3,489
Motor vehicles	430	457
Less: accumulated depreciation	(251)	(213)
Total motor vehicles	179	244
Computer software and equipment	1,707	1,403
Less: accumulated depreciation	(1,693)	(1,385)
Total computer software and equipment	14	18
Construction in progress	5,929	-
Furniture, fixtures and fittings	616	606
Less: accumulated depreciation	(512)	(451)
Total furniture, fixtures and fittings	104	155
Total property, plant and equipment	**11,151**	**5,689**

17. PROPERTY, PLANT AND EQUIPMENT CONTINUED

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	Plant and equipment	Furniture, fixtures and fittings	Motor vehicles	Computer equipment	Construction in progress	Leasehold improvements	Total property, plant and equipment
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2020	2,176	277	229	225	-	1,877	4,784
Additions at cost	2,197	36	209	292	-	381	3,115
Disposals	-	-	(99)	(148)	-	-	(247)
Depreciation expense	(1,040)	(185)	(63)	(372)	-	(652)	(2,312)
Transfer from / (to) right of use asset	(29)	-	(27)	-	-	-	(56)
Foreign currency translations movements	185	27	(5)	21	-	177	405
Balance at 30 June 2021	3,489	155	244	18	-	1,783	5,689
Balance at 1 July 2021	3,489	155	244	18	-	1,783	5,689
Additions at cost	1,343	60	12	423	5,929	236	8,003
Disposals	-	-	-	-	-	-	-
Depreciation expense	(988)	(102)	(55)	(444)	-	(609)	(2,198)
Transfer from /(to) right of use asset	7	-	11	-	-	-	18
Foreign currency translations movements	(223)	(9)	(33)	17	-	(113)	(361)
Balance at 30 June 2022	3,628	104	179	14	5,929	1,297	11,151

Depreciation expense recorded within cost of goods sold and operating costs in the Consolidated Statement of Profit or Loss and Other Comprehensive Income amounted to $2.2 million for the year ended 30 June 2022 (2021: $2.3 million).

18. INTANGIBLES

Development costs are capitalised on the basis the Group intends to commercially produce a 'to market' product. The capitalised costs include dedicated team costs and expenses in the development process. The development costs are amortised over the useful economic life and assessed for impairment where there is an indication that the asset may be impaired.

An assessment of impairment was taken at 30 June 2022 and no indicators of impairment were noted. While the Group is making losses, this is as anticipated and hence not an indicator of impairment.

	30 June 2022 US$'000	30 June 2021 US$'000
Development costs	26,804	22,676
Less: accumulated amortisation	(18,751)	(13,851)
Total development costs	8,053	8,825

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

	30 June 2022 US$'000	30 June 2021 US$'000
Balance at 1 July	8,825	8,906
Additions – internally generated	6,285	5,138
Amortisation expense	(6,314)	(5,266)
Foreign currency translations movements	(743)	47
Balance at 30 June	8,053	8,825

19. LEASES

The Group has lease contracts for various property, buildings, motor vehicles and other equipment used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below.

The Group also has certain leases of office equipment with low value. The Group applies the 'lease of low-value assets' recognition exemptions for these leases.

Right-of-use-assets

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Plant and equipment	Motor vehicles	Property leases	Total Right of Use Asset
	US$'000	US$'000	US$'000	US$'000
Balance at 1 July 2020	29	27	16,650	16,706
Additions at cost	-	-	4,850	4,850
Reductions	-	-	(846)	(846)
Amortisation expense	(13)	(8)	(2,438)	(2,459)
Foreign exchange variation	-	-	(556)	(556)
Balance at 30 June 2021	16	19	17,660	17,695
Balance at 1 July 2021	16	19	17,660	17,695
Additions at cost	-	-	10,934	10,934
Reductions	-	-	(1,106)	(1,106)
Amortisation expense	(7)	(11)	(2,871)	(2,889)
Foreign exchange variation	(2)	(1)	(1,079)	(1,082)
Balance at 30 June 2022	7	7	23,538	23,552

Lease liabilities included in the statement of financial position as at 30 June:

	2022 US$'000	2021 US$'000
Lease liabilities		
Current lease liabilities	3,264	2,596
Non-current lease liabilities	24,726	18,178
Total lease liabilities	27,990	20,774

19. LEASES CONTINUED

The following are the amounts recognised in profit or loss:

	2022 $'000	2021 $'000
Amortisation expense of right-of-use asset	(2,871)	(2,416)
Interest expense on lease liabilities	(556)	(511)
Expense relating to short-term leases	(90)	(76)
Expense relating to leases of low-value assets that are not presented as short-term leases	(16)	(20)
Total amount recognised in profit or loss	(3,533)	(3,023)

The Group had total cash outflows for leases of $2.6 million in 2022 ($1.1 million in 2021).

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgement in determining whether these extension and termination options are reasonably certain to be exercised (refer to Note 3).

20. TRADE AND OTHER PAYABLES

	30 June 2022 US$'000	30 June 2021 US$'000
Trade payables	31,041	11,609
Insurance and other liabilities	1,769	128
Accrued expenses	26,604	4,230
Deferred rent liability	(890)	11
Commissions	586	234
Deferred fulfillment accrual	432	432
Other payables	16,130	4,883
Total trade and other payables	75,672	21,527

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying amounts are considered to be a reasonable approximation of fair value. Accrued expenses included transaction costs of $25.1 million.

21. BORROWINGS

Current liabilities	30 June 2022 US$'000	30 June 2021 US$'000
Convertible notes	-	36,546
Interest-bearing borrowings	-	-
Credit card liability	74	25
Total borrowings (current)	74	36,571
Non-current liabilities		
Interest-bearing borrowings	88,269	44,742
Borrowing costs	-	(981)
Total borrowings (non-current)	88,269	43,761
Total borrowings	88,343	80,332

Convertible notes

The Group has recognised the issuance of zero coupon mandatorily convertible notes in January and May 2021 with a subscription value of the AUD equivalent of $32.6 million and a maturity date of 12 months from the date of issuance. The notes will be settled through the issue of a variable number of common shares equivalent to the face value of the notes determined by reference to the fair value of the shares at redemption date less a 30% discount for the January 2021 issuance and 20% discount for the May 2021 issuance.

On 13 January 2022 the Business Combination Agreement was consummated resulting in 1,704,632 shares issued for January 2021 subscription and 1,209,290 shares issued for May 2021 subscription. The total value of shares issued was $42.57 million with the difference between the carrying amount and the value of shares issued being recognised as interest expenses in the income statement.

Senior Loan Note Subscription Agreement

On 30 April 2020, the Group entered into a Senior Loan Note Subscription Agreement ("borrowings") for finance of $33.8 million. On 22 July 2021, the Group entered into the Amendment Deed Senior Loan Note Subscription Agreement ("borrowings") for finance of a further $29.0 million. The borrowings attracted interest at the coupon rate of 11%. This accrued interest on borrowings is capitalised into the balance of the borrowings and was repayable in full with the principal at termination date.

The borrowings were payable on the loan termination date of 31 December 2024, or upon the occurrence of certain events such as change in control, IPO event, among others; whichever is the earliest. The borrowings contained a change in control clause that required an immediate repayment of the principal and capitalised interests, together with a prepayment fee upon occurrence of a change in control event. The prepayment fee feature in the borrowings agreement was determined to be an 'embedded put option' requiring recognition separate from the borrowing at fair value.

Tritium Holdings Pty Ltd entered an agreement on 7 December 2021, to refinance the existing $66.0 million CIGNA Loan consisting of a new 3-year $90.0 million CIGNA Refinance Loan. The CIGNA Refinance Loan had commitment fees of $0.9 million and establishment fees of $2.3 million associated with its issuance. The entry of the CIGNA Refinance Loan was concurrent and conditional upon, the completion of the Business Combination. On 13 January 2022 Tritium DCFC Limited consummated the Business Combination Agreement and the borrowings and prepayment were paid on 1 February 2022. The total balance paid was $77.4 million, inclusive of the prepayment fee.

Subsequent to the entry into the agreement and as a result of the high level of redemptions from DCRN's public shareholders in connection with the Business Combination, the terms of the CIGNA Refinance Loan were adjusted to specify that the conditions to issuance include Tritium Holdings Pty Ltd holding a minimum cash balance of $50.0 million at completion of the Business Combination and $65.0 million at such time as the additional funds were received from the legacy Tritium shareholders and DCRN Sponsor (the "Holders") in connection with the option agreements ("Option Agreement") pursuant to which, Tritium DCFC granted to the Holders the contingent right to subscribe for and purchase, and the Holders committed to subscribe for and purchase, an aggregate of up to 7,500,000 Ordinary Shares for an aggregate purchase price of up to $45.0 million, as well as the repayment of the existing CIGNA Loan.

21. BORROWINGS CONTINUED

The borrowings are secured against the present and after-acquired property of Tritium Holdings Pty Ltd and Tritium Pty Ltd.

The borrowings have a number of conditions including the following Financial Covenants commencing on 31 March 2023.

Total Leverage Ratio (TLR) must not be greater than the corresponding level specified below in respect of the Compliance Date

- TLR of 3.50x for 31 March 2023
- TLR of 3.00x for 30 June 2023
- TLR of 2.75x for 30 September 2023
- TLR of 2.5x each compliance date thereafter

Total Interest Cover Ratio must not be less than 2.00x on 31 March 2023 and 3.00x each compliance date thereafter.

Shareholder Loan Agreement ("St Baker Energy Holdings Pty Ltd Loan")

The Group entered into a Shareholder Loan Agreement ("borrowing") on 5 May 2020. Finance of $5.6 million was obtained from this borrowing agreement. The outstanding balance at 30 June 2021 was $6.4 million.

The borrowing attracts interest at the coupon rate of 11%. This accrued interest on the borrowing is capitalized into the balance of the loan and is repayable in full with the principal at termination date.

The borrowings are secured through the inventory value of the Group. Total security provided at 30 June 2021 is $40.6 million. The borrowing was repayable via cash settlement on the termination date of 31 December 2024.

Tritium Holdings Pty Ltd repaid the outstanding loan payable of $6.5 million to St Baker Energy on 11 May 2022.

NAB Facility

The Group has a NAB facility which is used for credit cards and other liabilities in the Group. The NAB facility is 100% supported by term deposits and is a non-interest bearing facility. The total facility limit is $5.5 million and a total of $3.3 million is unused as at 30 June 2022.

21. BORROWINGS CONTINUED

Fair Value Measurements

The fair values of the Group's financial assets and financial liabilities reflect the amounts that would be received to sell the assets or paid to transfer the liabilities in an orderly transaction between market participants at the measurement date (exit price).

The fair value of the Group's long-term debt with fixed interest rates is based on market prices, if available, or expected future cash flows discounted at the current interest rate for financial liabilities with similar risk profiles (level 2 fair value hierarchy). Based on this assessment the fair value of the Group's long-term debt is materially the same as the carrying value.

The Company's assets and liabilities that were measured at fair value on a recurring basis were as follows:

	Fair Value Measured as at 30 June 2022			
	level 1	level 2	level 3	Total
	$'000	$'000	$'000	$'000
Public warrant liabilities	12,019	-	-	12,019
Private warrant liabilities	-	321	-	321
Total	12,019	321	-	12,340

The following table presents a summary of the changes in the fair value of the Group's warrant liability:

	Public warrants		Private warrants		Total	
	Number of warrants	Amounts	Number of warrants	Amounts	Number of warrants	Amounts
		US$'000		US$'000		US$'000
Balance as at 30 June 2021	-	-	-	-	-	-
Warrants liability assumed in Business Combination	13,416,592	19,857	8,366,667	12,383	21,783,259	32,240
Warrants exercised and equity issued	(4,379,462)	(11,364)	(8,125,520)	(12,027)	(12,504,982)	(23,391)
Change in fair value	-	3,526	-	(35)	-	3,491
Balance as at 30 June 2022	9,037,130	12,019	241,147	321	9,278,277	12,340

22. SHARE-BASED PAYMENTS

Loan Funded Share Plan ("LFSP")

In prior years, pursuant to the LFSP, the Group issued common share employees to purchase such common shares with an interest free, limited recourse loan payable to the Group. These limited recourse loans were not collateralised and were not recourse to the assets of the borrower, except to the extent of the shares issued. Because the loans were the sole consideration for the shares issued, the Group accounts for these arrangements as share options since the substance is similar to the grant of an option, with a deemed exercise price equal to the loan amount. The fair value of the notional share options is expensed in the period in which the notional share options are issued, with a corresponding credit to additional paid-in capital. The limited recourse loans are repayable in 7 years from the issuance of the common shares. There are no service or performance conditions attached to the notional share options issued under the LFSP.

The shares issued under the LFSP are considered treasury shares. The balance of the limited recourse loans outstanding relating to these treasury shares as at 30 June 2021 were $15.0 million. The Group does not recognise a separate receivable for limited recourse loans as the LFSP is accounted for as share-based compensation. As at 30 June 2021, the total compensation value associated with the LFSP was $15.0 million (based on the fair value inputs disclosed) of which $9.6 million has not been recognised (as it relates to nonvested awards). No tax benefits have been recorded or expected due to significant tax losses and valuation allowance recognised due to uncertainty of recovery. No compensation expenses have been recorded as part of an asset.

As a result of the BCA the shares under the following occurred:

- A number of awards for executives were modified to forgive outstanding loans. As a result of this modification, an expense of $6.4 million was recognised as the fair value of the change which were equal to the loan balances outstanding at the date of modification. FBT tax expense of $5.6 million was incurred as a result of the modification;
- On completion of the merger, the treasury shares subject to the limited recourse loan, were converted applying the conversion factor of 1.4716625. No other changes to the terms or requirements to repay the loans were made.

	Average Weighted Life Contractually Remaining (Years)	Average Weighted Fair Value AUD $	Average Weighted Exercise Price AUD $	No. of shares
Balance at 30 June 2020	4.82	1.44	2.60	2,055,828
Options granted	7	1.31	4.44	3,305,998
Options exercised	-	-	-	-
Options cancelled	-	-	-	-
Balance at 30 June 2021 (vested and exercisable)	5.31	1.36	3.74	5,361,826
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options modified	4.42	1.55	3.69	(2,507,658)
Options cancelled	-	-	-	-
Balance pre conversion (vested and exercisable)	4.18	1.19	3.78	2,854,168
Converted to Tritium DCFC shares	-	-	-	4,200,371

22. SHARE-BASED PAYMENTS CONTINUED

	Average Weighted Life Contractually Remaining (Years)	Average Weighted Fair Value USD $	Average Weighted Exercise Price USD $	No. of shares
Year ended 30 June 2022				
Balance of shares following conversion to Tritium DCFC shares	4.18	0.82	2.60	4,200,371
Options granted	-	-	-	-
Options exercised	-	-	-	-
Options cancelled	-	-	-	-
Balance at 30 June 2022 (vested and exercisable)	4.18	0.82	2.60	4,200,371

Shadow Equity Plan ("SEP")

In July 2018, the Group adopted SEP. The SEP is akin to a share appreciation right where an eligible employee is given the right to receive an amount of cash, the value of which equals the appreciation in the Group's share value between the award's grant date and its vesting date. The share appreciation right vests upon the occurrence of an entitlement event or 7 years whichever is earlier.

The Group had issued 27,451 rights under the SEP up to June 2020. During the year ended 30 June 2021, further issues of 1,584,077 rights were made by the Group. An assessment of the fair value of the rights was made at each period utilising an option pricing methodology. The share price is a key assumption in the option pricing model. At 30 June 2021, the share price has been based on the price per share pursuant to the current purchase consideration agreement with DCRN. To determine the fair value of the rights outstanding as at the year end, this share price has been discounted to reflect the estimated market value at this point in time. The expected timing of the entitlement event has been estimated to be 7 months from 30 June 2021. The weighted fair value for the appreciation rights outstanding as at 30 June 2021 was assessed to be AUD $8.7. As at 30 June 2021, the total compensation value associated with the SEP is $10.6 million (based on the fair value inputs disclosed) of which $5.2 million has not been recognised (as it relates to nonvested awards). No tax benefits have been recorded or expected due to significant tax losses and valuation allowance recognised due to uncertainty of recovery. No compensation expenses have been recorded as part of an asset.

As a result of the BCA, the SEP plan vested and the following occurred:

- $5.4 million was paid to entitlement holders in cash; and
- 1,175,601 Tritium DCFC Shares were issued as settlement of the outstanding balance to SEP holders.

The carrying amount of the liability relating to the SEPs at 30 June 2022 as a result is 0.2 million (2021: $5.3 million).

The total benefit as a result was $21.6 million. The total expense arising from share-based compensation during the year is $0.4 million (2021: $5.2 million).

	Weighted average fair value of the rights AUD $	2022 No. of shares	Weighted average fair value of the rights AUD $	2021 No. of shares
Balance of shares subject to options at beginning of year	8.74	1,611,528	2.46	27,451
Rights granted	-	100,000	8.76	1,584,077
Rights exercised	-	(1,449,677)	-	-
Rights cancelled	-	-	-	-
Balance at reporting date	-	261,851	8.74	1,611,528
Converted to DCFC Shares	-	326,211	USD10.00	-

22. SHARE-BASED PAYMENTS CONTINUED

Tritium DCFC Share Options Plans

Employee Share Scheme

On 23 June 2022, eligible employees were offered 1.4 million performance rights under the Tritium DCFC Limited Long Term Incentive Plan ("Employee Share Scheme"). Each performance right will entitle the employees to acquire one fully paid ordinary share in Tritium DCFC, subject to satisfaction of vesting conditions. These vesting conditions require that eligible employees must have been in employment with any of the Tritium group companies at the date on which Tritium DCFC was listed on the NASDAQ and continue to remain in employment and must not have resigned or have their employment terminated up to 14 October 2022. If the vesting conditions are satisfied, the performance rights will vest on 14 October 2022 and may be exercised by the holder from this date but must be exercised by 23 June 2025, failing which these performance rights will be deemed to have been exercised on that date. The performance rights have a Nil exercise price.

	Average Weighted Life Contractually Remaining (Years)	Average Weighted Fair Value USD $	Average Weighted Exercise Price USD $	No. of shares
Balance of shares subject to options at 1 July 2021				
Options granted	0.25	$6.19	-	1,328,758
Options exercised	-	-	-	-
Options cancelled	-	-	-	-
Balance at 30 June 2022 (unvested and unexercisable)	0.25	$6.19	-	1,328,758

Long Term Incentive Plan

Performance rights under the Long Term Incentive Plan (LTIP) were communicated to a group of employees, executive management and the non-executive directors during the fiscal year ended 30 June 2022. The vesting period has commenced and the service commencement date has been determined as the date the performance rights were communicated to the individuals. The grant date has been estimated at 30 June 2022 as formal acceptance (as required under the LTIP Rules) has not yet been received from the individuals. The estimated weighted average fair value of the rights at grant date is $6.26.

LFSP

The Group uses the fair value method in recognizing share-based compensation expense. The fair value of each notional share option is estimated on the date of grant using the Black-Scholes option pricing model including a range of assumptions.

The weighted average fair value for share options that were outstanding (including issuances in the year) as at 30 June 2022 and 2021 are as follows:

	Group	
	30 June 2022	30 June 2021
Risk free interest rate	1.56%	1.59%
Expected term	0.5 years	1.5 years
Expected volatility	60%	60%
Dividend yield	0.00%	0.00%
Grant value fair value per share	$1.19 AUD	$1.36 AUD
Share price	$3.78 AUD	$3.74 AUD
Aggregate intrinsic value of shares vested and not yet exercised (USD)	$524,983	$2,835,795

22. SHARE-BASED PAYMENTS CONTINUED

The fair value of the underlying ordinary shares considered the price per share paid by investors in the Company's private financings in addition to independent external valuations obtained. The Group historically has been a private company and lacked company-specific historical and implied volatility information. Therefore, it estimated its expected share volatility based on the historical volatility of its publicly traded peer companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded share price.

The expected term of the share options has been determined based on an assessment of the estimated timing that employees would either exercise or an entitlement event would occur.

The risk-free interest rate is determined by reference to the appropriate reserve bank yield in effect at the time of grant of the award for time periods approximately equal to the expected term of the award.

Expected dividend yield is based on the fact that the Group has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

SEP

The weighted average fair value for the share appreciation rights under the SEP that were outstanding (including issuances in the year) as at 30 June 2021 and at the BCA date (where the entitled was measured) was determined using the following key inputs:

	Group	
	Entitlement date (14 January 2022)	30 June 2021
Risk free interest rate	0.05%	0.04%
Expected term	0.0 years	0.6 years
Expected volatility	60%	60%
Dividend yield	0.00%	0.00%
Indicative share price	$20.94 AUD	$12.13 AUD
Offer value	$3.40 AUD	$3.40 AUD

Employee Share Scheme

The Group uses the fair value method in recognizing share-based compensation expense. The fair value of each notional share option is estimated on the date of grant using the Black-Scholes option pricing model including a range of assumptions.

The weighted average fair value for share options that were outstanding (including issuances in the year) as at 30 June 2022 are as follows:

	30 June 2022
Risk free interest rate	2.68%
Expected term	3
Expected volatility	80%
Dividend yield	0
Grant value fair value per share	$6.17
Share price	$6.17
Aggregate intrinsic value of shares vested and not yet exercised (USD)	0

22. SHARE-BASED PAYMENTS CONTINUED

The fair value of the underlying ordinary shares considered the weighted average price per share on the day of grant. The Group historically has been a private company and lacked company-specific historical and implied volatility information. Therefore, it estimated its expected share volatility based on the historical volatility of its publicly traded peer companies and expects to continue to do so until such time as it has adequate historical data regarding the volatility of its own traded share price.

23. EMPLOYEE BENEFITS

Current liabilities	30 June 2022 US$'000	30 June 2021 US$'000
Annual leave	2,345	1,859
Long service leave	308	178
Total current liabilities	2,653	2,037
Non-current liabilities		
Long service leave	217	125
Total non-current liabilities	217	125
Total employee benefits	2,870	2,162

24. OTHER PROVISIONS

Current liabilities	30 June 2022 US$'000	30 June 2021 US$'000
Legal Provisions	126	326
Warranties	1,326	1,384
Cash settled employee liabilities	152	5,345
Total current liabilities	1,604	7,055
Non-current liabilities		
Warranties	2,652	2,543
Total non-current liabilities	2,652	2,543
Total other provisions	4,256	9,598

25. COMMITMENTS AND CONTINGENT LIABILITIES

Legal Proceedings
Any material legal proceedings have been provided for as at 30 June 2022 and 2021. Legal proceedings were related to product matters and have since been settled within the amounts provided for. Any differences are immaterial.

Contingent liabilities
The Group did not have any contingent liabilities as at 30 June 2022 or 2021.

Contractual Commitments
The Group did not have any commitments as at 30 June 2022 or 2021 .

26. CONTRACT LIABILITIES

Current liabilities	30 June 2022 $'000	30 June 2021 $'000
Unearned revenue	4,376	2,979
Customer advance deposits	33,508	6,561
Total current liabilities	37,884	9,540
Non-current liabilities		
Unearned revenue	1,384	1,618
Customer advance deposits	847	-
Total non-current liabilities	2,231	1,618
Total contract liabilities	40,115	11,158

It is expected that the performance obligations recognised as current contract liabilities which are yet to be satisfied for the 30 June 2022 will be recognised in revenue in the next 12 months.

Unearned revenue represents the sale of extended warranties which is recognised as revenue over the term of the extended warranty.

Customer advance deposits represent advance payments for products, which are made at the time the order is placed and is recorded as revenue once the performance obligation is satisfied.

27. ISSUED CAPITAL

	2022 Shares	2021 Shares	30 June 2022 US$'000	30 June 2021 US$'000
Ordinary shares – fully paid	148,893,898	99,915,561	397,835	92,809
Legacy Tritium C Class shares – fully paid	-	8,052,499	-	4,383
Total issued capital	148,893,898	107,968,060	397,835	97,192

Movement in ordinary share capital

Details	2022 Shares	2021 Shares	30 June 2022 US$'000	30 June 2021 US$'000
Balance 1 July	99,915,561	99,915,561	92,809	92,809
Shares issued during the year	48,978,337	-	305,026	-
Total ordinary share capital	148,893,898	99,915,561	397,835	92,809

Movement in Legacy Tritium C Class share capital

Details	2022 Shares	2021 Shares	30 June 2022 US$'000	30 June 2021 US$'000
Balance 1 July	8,052,499	8,052,499	4,383	4,383
Conversion into Tritium DCFC ordinary shares	(8,052,499)	-	(4,383)	-
Total Legacy Tritium C Class share capital	-	8,052,499	-	4,383

The number of shares in the tables above has been retrospectively adjusted by applying the conversion factor of 1.4716625 established by the Business Combination.

28. RESERVES

	30 June 2022 US$'000	30 June 2021 US$'000
Foreign currency reserve	4,645	(3,396)
Options reserve	20,838	5,263
Notes reserve	338	338
Warrant fair value reserve	4,850	-
Distribution reserve	(6,816)	-
Total reserves	23,855	2,205

29. TAX ASSETS AND LIABILITIES

Consolidated unrecognised deferred tax assets (tax effected)	30 June 2022 US$'000	30 June 2021 US$'000
Deductible temporary differences and unused tax losses	62,324	36,797
Temporary difference (at 30%)		
Employee entitlements	1,295	753
Warranties	1,571	1,178
Intangible assets	(2,416)	(2,647)
Lease liabilities	7,053	4,134
Other	7,660	4,609
Total deferred tax assets	77,487	44,824
Deferred tax liabilities		
Right of use assets	(5,967)	(3,327)
Total deferred tax liabilities	(5,967)	(3,327)
Total net deferred tax assets / (tax liabilities)	71,520	41,497
Changes in deferred tax balances		
Opening balance – 1 July	(41,497)	(24,305)
Increase / (decrease) in deferred tax assets and deferred tax liabilities	(29,447)	(16,871)
Other movements including foreign currency and rate differential	(576)	321
Less non recognition of deferred tax assets	(71,520)	(41,497)
Closing balance – 30 June	-	-

At 30 June 2022, nil net deferred tax assets were recognised (2021: nil).

The Group has tax losses that arose in Australia of $196.6 million (2021: $107.9 million) that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose, subject to certain tests being met. The losses are subject to confirmation with taxing authorities and the lodgement and finalisation of income tax returns. The actual losses available on lodgement of these returns may be different. The future use is also uncertain due to Group operations, tax law changes and compliance with existing tax law.

30. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation
The aggregate compensation made to directors and other members of key management personnel of the consolidated entity is set out below:

	30 June 2022 US$	30 June 2021 US$
Short-term employee benefits	7,490,784	1,540,926
Long-term employee benefits	52,991	10,240
Share-based payments	6,681,831	2,277,132
Total compensation	14,225,606	3,828,298

31. REMUNERATION OF AUDITORS

During the financial year the following fees were paid and payable for services provided by PricewaterhouseCoopers Australia (PwC), the auditor of the Group:

	12 months to 30 June 2022 US$'000	12 months to 30 June 2021 US$'000
Statutory Audit and Review services		
Statutory audit and review services – PricewaterhouseCoopers Australia (PwC)	1,214	188
Other audit and review services		
Other audit and review services – PricewaterhouseCoopers Australia (PwC)	593	988
Total remuneration of auditors	1,807	1,176

Other audit and review services presented above are fees in relation to requirements for the business combination during the year.

32. INTERESTS IN SUBSIDIARIES

Interests in subsidiaries are accounted for on a consolidated basis. Information relating to controlled entities that are material to the consolidated entity are set out below:

Name of entity	Ownership interest 2022	Ownership interest 2021	Place of incorporation
Tritium Holdings Pty Ltd	100%	100%	Australia
Decarbonization Plus Acquisition Corporation II	100%	-	United States of America
Tritium America Corporation	100%	100%	United States of America
Tritium Technologies LLC	100%	100%	United States of America
Tritium Europe B.V	100%	100%	The Netherlands
Tritium Technologies B.V	100%	100%	The Netherlands
Tritium Pty Ltd	100%	100%	Australia
Tritium Nominee Pty Ltd	100%	100%	Australia
Tritium Technologies Limited	100%	100%	The United Kingdom

Tritium America Corporation is the parent company to Tritium Technologies LLC, a foreign trading entity. Similarly, Tritium Europe BV is the parent company of the trading entity Tritium Technologies BV.

(a) The Group's main related parties are as follows:

The ultimate parent entity, which exercises control over the Group, is Tritium DCFC Limited which is incorporated in Australia. Tritium DCFC Limited owns 100% of the Australian subsidiary Tritium Pty Ltd, Tritium Holding Pty Ltd, and 100% of the foreign subsidiaries.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

(b) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

(c) Loans to/from related parties

Loans between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

Terms and conditions
All transactions were made on normal commercial terms and conditions and at market rates.

32. INTERESTS IN SUBSIDIARIES CONTINUED

The following transactions occurred with related parties:

	Hardware revenue	Service and maintenance revenue	Accounts receivable	Purchase	Accounts payable	Loan payable
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Year ended 30 June 2021						
Gilbarco	19,122	-	2,471	335	142	-
Fast Cities Australia	2,141	1	520			
St Baker Energy	-	-	-	256	23	6,392
Total	21,263	1	2,991	591	165	6,392
Year ended 30 June 2022						
Gilbarco	8,135	-	-	338	-	-
Fast Cities Australia	3,454	-	16			-
St Baker Energy	-	-	-	345	93	-
Total	11,589	-	16	683	93	-

Transactions with Gilbarco

Gilbarco ceased to be the Group's related party since 29 November 2021 which is the date Gilbarco resigned from Board of Directors of Tritium. As such, all transactions between the Group and Gilbarco that occurred prior to 29 November 2021 are disclosed above as related party transactions.

Transactions with Fast Cities

The Group has sold products to Fast Cities during the period at normal trading terms. The receivables due at the end of the period are payable within 30 days.

Loans payable to St Baker Energy

The terms of this arrangement have been disclosed in Note 21.

33. RECONCILIATION OF LOSS AFTER INCOME TAX TO NET CASH USED IN OPERATING ACTIVITIES

	30 June 2022 US$'000	30 June 2021 US$'000
Loss after income tax for the year	(297,244)	(65,094)
Adjustment for:		
Depreciation and amortisation	11,383	9,946
Share-based payment expense	28,188	8,467
Financial instruments- derivatives and warrants	9,743	5,893
Interest expense	14,245	8,550
Capitalised transaction costs	1,422	-
Foreign exchange (gain)/loss	-	1,394
Listing expenses	156,252	-
Change in operating assets and liabilities:		
(increase)/decrease in trade and other receivables	(16,474)	(1,063)
(increase)/decrease in other assets	(12,639)	(2,558)
(increase)/decrease in inventories	(19,276)	(8,441)
increase/(decrease) in trade and other payables	20,621	11,327
increase/(decrease) in employee benefits	708	398
increase/(decrease) in other liabilities	23,407	4,490
Net cash used in operating activities	(79,664)	(26,691)

34. PARENT ENTITY INFORMATION

The financial information for the parent entity, Tritium DCFC Limited has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Legal Parent
The parent entity disclosures are representative of the legal parent Tritium DCFC Limited. As such, the equity structure is representative of the shares issued to shareholders as part of the business combination outlined in Note 37 as well as subsequent capital raises. This differs from the Group which is based on the capital structure of Tritium Holdings (as accounting parent).

Investments in subsidiaries
Investments in subsidiaries entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognised in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

Parent – Comprehensive income	30 June 2022 US$'000	30 June 2021 US$'000
Profit/(loss) for the period	(677,096)	-
Total comprehensive income for the period	(677,096)	-

Parent - Statement of Financial Position		
Total current assets	53,599	-
Total non-current assets	730,675	-
Total assets	784,274	-
Total current liabilities	26,555	-
Total non-current liabilities	-	-
Total liabilities	26,555	-
Equity		
Issued capital	1,420,771	-
Options reserve	9,194	-
Warrant fair value reserve	4,850	-
Accumulates losses	(677,096)	-
Total equity	757,719	-

Impairment Testing of investments in subsidiaries
Tritium DCFC Limited assess its investments and receivables from its underlying investments in subsidiaries for impairment by assessing either the estimated underlying cash flows or where relevant the recoverability of the investment through sale. An impairment is recognised where there is a difference in the recoverable value and the carrying amount.

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries
The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2022 and 30 June 2021.

Contingent liabilities
The parent entity had no contingent liabilities as at 30 June 2022 and 30 June 2021.

Contractual commitments
The parent entity did not have any commitments as at 30 June 2022.

35. SEGMENT INFORMATION

The following table presents revenue by the Group's reportable segments:

	Hardware Revenue					
	Stand Alone Chargers $'000	Distributed Chargers $'000	Other $'000	Total Hardware Revenue $'000	Service and Maintenance Revenue $'000	Total Revenue $'000
Year Ended June 30, 2021						
Revenue	20,084	32,974	504	53,562	2,595	56,157
Cost of goods sold	(21,099)	(33,718)	(371)	(55,188)	(2,873)	(58,061)
Segment gross profit/(loss)	(1,015)	(744)	133	(1,626)	(278)	(1,904)
Year Ended June 30, 2022						
Revenue	52,072	26,603	2,157	80,832	4,989	85,821
Cost of goods sold	(51,907)	(28,597)	(1,879)	(82,383)	(3,778)	(86,161)
Segment gross profit/(loss)	165	(1,994)	278	(1,551)	1,211	(340)

The Group manages its business across seven operating segments for the purposes of assessing performance and making operating decisions. These operating segments are based on standalone products, distributed chargers and other products. The Group's Chief Operating Decision Maker (CODM) uses revenue and gross margin/loss to evaluate segment performance and allocate resources. The CODM does not evaluate operating segments using asset or liability information nor are there any other performance metrics or measures used to monitor the operations.

These operating segments are aggregated into three reportable segments, being standalone products, distributed chargers and other products. Standalone charging systems are single units. Distributed charging systems can have multiple user units all connected in the one system. The operating segments meet the qualitative criteria for aggregation in this manner as the operating segments that are aggregated into the stand alone charger segment have similar economic characteristics, are similar in nature and they have similar manufacture, distribution chains and customers. This is also the case for those operating segments that are aggregated into the 'distributed chargers' segment.

Other products are managed as a single operating and reportable segment and are monitored by the CODM in this way.

The Group believes the current method of segment reporting reflects both the way its business segments are currently managed and the way the performance of each segment is evaluated by the CODM.

The Group does not monitor services and maintenance revenue as it is not considered a key part of the current business operations.

The accounting policies of the reportable segments are the same as those described in the summary of significant accounting policies and there are no inter-segment revenues or costs.

In terms of concentration of customer risks, revenues from one customer in the distributed chargers segment represents approximately $13.0 million of the total amount (2021: $17.0 million), representing 15% of the total revenue.

35. SEGMENT INFORMATION CONTINUED

The following table reconciles segment gross (loss) to loss from operations and a calculation of segment gross margin:

	Group	
	30 June 2022 $'000	30 June 2021 $'000
Revenue	85,821	56,157
Cost of goods sold	(86,161)	(58,061)
Segment gross (loss)	(340)	(1,904)
Selling, general and administration expense	(68,636)	(28,066)
Product development expense	(7,746)	(5,383)
Depreciation and amortisation expense	(10,767)	(9,946)
Foreign currency (gain)/loss	(4,208)	(1,394)
Loss from operations	(91,697)	(46,693)
Segment gross (loss)	(340)	(1,904)
Revenue	85,821	56,157
Segment gross margin	(0.4%)	(3.4%)

Segment gross (loss) is calculated as Revenue less Cost of goods sold.

The following table presents the Group's revenue by geographic area based on the entity that has entered the external contract to supply the product and services. The entity's geographical area is based on the place of incorporation.

	Group	
	30 June 2022 $'000	30 June 2021 $'000
Australia	12,735	5,044
United States	33,174	12,730
The Netherlands	39,912	38,383
Total revenue	85,821	56,157

The following table presents non-current assets by geographic area on the same basis as detailed above. Non-current assets for this purpose consist of property, plant and equipment, right-of-use assets and intangible assets.

	Group	
	30 June 2022 $'000	30 June 2021 $'000
Australia	26,112	24,573
United States	15,878	4,954
The Netherlands	766	2,682
Total non-current assets	42,756	32,209

The Group's manufacturing and inventory is predominately located in and supplied from Australia.

36. FINANCIAL RISK MANAGEMENT

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance. Current year profit and loss information has been included where relevant to add further context.

The Group's principal financial liabilities, other than derivatives, comprise loans and borrowings, and trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include trade receivables, and cash and short-term deposits that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks and ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

The Board of Directors reviews and agrees policies for managing each of these risks, which are summarised below.

(a) Derivatives

(i) Classification of derivatives
The Group recognises all derivative instruments as liabilities in the balance sheet at their respective fair values. For information about the classification of derivatives see Note 2 (n).

(ii) Fair value measurements
For information about the methods and assumptions used in determining the fair value of derivatives please refer to Note 21.

(b) Market risk

(i) Foreign exchange risk exposure
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's material exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense is denominated in a foreign currency) in AUD and EUR.

The Group's exposure to AUD and EUR foreign currency risk at the end of the reporting year/period, expressed in USD, was as follows:

	30 June 2022 $'000	30 June 2021 $'000
Trade receivables	4,451	167
Trade payables	2,989	4,165
Deposits	8,739	3,231
Total	16,179	7,563

The aggregate net foreign exchange gains/losses recognised in the statement of profit or loss were:

	30 June 2022 $'000	30 June 2021 $'000
Net foreign exchange (loss)/gain included in other (losses)/gains	(4,208)	(1,394)

Instruments used by the group
The risk is measured through a forecast of highly probable foreign currency revenue and expenditures.

36. FINANCIAL RISK MANAGEMENT CONTINUED

Sensitivity

The following table demonstrates the sensitivity of the Group's profit after tax to a reasonably possible change in AUD and EUR exchange rates, with all other variables held constant. The impact on the Group's profit after tax is due to changes in the fair value of monetary assets and liabilities. Whilst the Group transacts in other currencies, the Group's exposure and impacts to the profit after tax for foreign currency changes is not considered material.

	Impact on post-tax profit		Impact on other components of equity	
	30 June 2022 $'000	30 June 2021 $'000	30 June 2022 $'000	30 June 2021 $'000
USD/AUD exchange rate - increase 5%	(146)	45	4	0
USD/AUD exchange rate - decrease 5%	161	(50)	(5)	(0)
USD/EUR exchange rate – increase 5%	(283)	2	7	0
USD/EUR exchange rate – decrease 5%	317	(2)	(8)	(0)

(ii) Cash flow and fair value interest rate risk

The Group's borrowings and receivables are carried at amortised cost. The Group's borrowings is a fixed rate borrowing and, therefore, there is no exposure to changes in market interest rates.

(c) Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables and supplier deposits.

(i) Risk Management

If customers are independently rated, these ratings are used. Otherwise, if there is no independent rating, risk control assesses the credit quality of the customer, taking into account its financial position, past experience and other factors The compliance with credit terms by customers is regularly monitored by management. Sales to customers are required to be settled using a variety of trading terms. In terms of concentration of customer risks, revenues from one customer in the distributed chargers segment represents approximately $13.0 million of the total amount (2021: $17.0 million), representing 15% of the total revenue. There are no significant concentrations of credit risk through exposure to individual regions.

(ii) Security

For some trade receivables the Group may obtain security in the form of advanced deposits which can be called upon if the counterparty is in default under the terms of the agreement or alternatively security over the inventory sold.

(iii) Impairment of financial assets

The Group's main financial assets that are subject to the expected credit loss model are trade receivables for sales of inventory.

While cash and cash equivalents and supplier deposits are also subject to the impairment requirements of AASB 9, there is no identified impairment loss in either reporting period.

36. FINANCIAL RISK MANAGEMENT CONTINUED

Trade receivables

The Group records an allowance for expected credit losses for estimated losses inherent in its accounts receivable portfolio. In establishing the required allowance, the Group uses the simplified approach and considers historical losses adjusted to take into account current market conditions and the Group's customers' financial condition, the amount of receivables in dispute, and the current receivables aging and current payment patterns.

Information about the credit risk exposure on the Group's trade receivables as at 30 June 2022 and 30 June 2021 has been disclosed in Note 13.

Trade accounts are generally written off as bad debts when they are in dispute and significantly aged where the recoverability is considered unlikely. Balance are not considered past due until they are 30 days after the original due date of the payment. Impairment losses on trade receivables are presented as net impairment losses within operating result. Subsequent recoveries of amounts previously written off are credited against the same line item.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents (note 12) on the basis of expected cash flows. In addition, the Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet these, monitoring balance sheet liquidity ratios against internal and external regulatory requirements and maintaining debt financing plans.

The Group had access to the undrawn borrowing facilities with NAB, amounting to $5.5 million (undrawn $3.3 million), at the end of the reporting year/period.

36. FINANCIAL RISK MANAGEMENT CONTINUED

(i) Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities As at 30 June 2022	Up to 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years $000's	Total contractual cash flows US$'000	Carrying amount of liabilities US$'000
Non-derivatives						
Trade and other payables	76,563	-	-	-	76,563	76,563
Borrowings	6,824	6,750	96,750	-	110,324	88,343
Lease liabilities	3,947	3,846	12,983	12,173	32,949	27,990
Total non-derivatives	87,334	10,596	109,733	12,173	219,836	192,896

Contractual maturities of financial liabilities As at 30 June 2021	Up to 1 year US$'000	Between 1 and 2 years US$'000	Between 2 and 5 years US$'000	Over 5 years $000's	Total contractual cash flows US$'000	Carrying amount of liabilities US$'000
Non-derivatives						
Trade and other payables	21,527	-	-	-	21,527	21,527
Borrowings	51,586	-	-	-	51,586	50,607
Lease liabilities	3,113	3,057	9,033	8,240	23,443	20,774
Total non-derivatives	76,226	3,057	9,033	8,240	96,556	92,908

As at 30 June 2021, the contractual cash flows in relation to the CIGNA loan included within Borrowings in the table above, have been presented considering its expected settlement on the consummation of the merger and is inclusive of the prepayment derivative arising. Refer note 21 for further details.

The public and private warrants outstanding at 30 June 2022 have various settlement features and as such do not attract contractual cashflows. Refer note 2(z) and note 21 for further details. Similarly, convertible notes outstanding at 30 June 2021 could only be settled through conversion into ordinary shares and did not entail any contractual cash flows. Refer note 21 for further details.

37. BUSINESS COMBINATION AND LISTING TRANSACTION

On 13 January 2022, Tritium DCFC, merged with both DCRN and Tritium Holdings, with both DCRN and Tritium Holdings surviving as wholly owned subsidiaries of Tritium DCFC. Additionally, upon the consummation of the Merger, the Company gave effect to the issuance of 15,380,694 shares of Common Stock for the previously issued DCRN common stock that were outstanding at the Closing Date.

At the Merger, eligible Tritium Holdings equity holders received or had the right to receive shares of Common Stock at a deemed value of $10.00 per share after giving effect to the exchange ratio of 1.471662 as defined in the Merger Agreement ("Exchange Ratio"). Accordingly, immediately following the consummation of the Merger, Legacy Tritium common stock exchanged into 120,000,000 shares of Common Stock.

In connection with the execution of the BCA, DCRN entered into a separate subscription agreements (each a "Subscription Agreement") with a number of investors (each a "New PIPE Investor"), pursuant to which the New PIPE Investors agreed to purchase, and DCRN agreed to sell to the New PIPE Investors, an aggregate of 2,500,000 shares of Common Stock ("PIPE Shares"), for a purchase price of $6.00 per share and an aggregate purchase price of $15.0 million, in a private placement pursuant to the subscription agreements ("PIPE Financing"). The PIPE Financing closed simultaneously with the consummation of the Merger. The number of shares of Common Stock issued immediately following the consummation of the Merger was as follows:

	Shares	Amounts $'000
Common Stock of DCRN, outstanding prior to the Merger	50,312,500	-
Less redemption of DCRN shares	(34,931,806)	-
DCFC shares issued to legacy of DCRN stockholders, in exchange of DCRN's shares	15,380,694	**143,502**
Shares issued in PIPE	2,500,000	15,000
Total shares issued to legacy DCRN stockholders and PIPE funding shares	17,880,694	**158,502**
DCFC shares issued to legacy Tritium stockholders, in exchange for Tritium's shares	120,000,000	139,762
Total shares of common stock, immediately after Merger	137,880,694	**298,264**

The Merger is not within the scope of AASB 3 *Business Combinations* ("AASB 3") since neither DCRN nor Tritium DCFC meet the definition of a 'business' in accordance with AASB 3. As such, the Merger is accounted for as a continuation of the financial statements of Tritium Holdings, together with a deemed issue of its shares along with a re-capitalisation of its equity, under Australian Accounting Standards. This determination is primarily based on Legacy Tritium stockholders comprising a relative majority of the voting power of Tritium DCFC and having the ability to nominate the members of the Board of Directors, Legacy Tritium's operations prior to the acquisition comprising the only ongoing operations of Tritium DCFC, and Legacy Tritium's senior management comprising a majority of the senior management of Tritium.

Under this method of accounting, DCRN and Tritium DCFC are treated as the "acquired" companies for financial reporting purposes. Accordingly, for accounting purposes, the financial statements of Tritium DCFC represent a continuation of the financial statements of Legacy Tritium with the Merger being treated as the equivalent of Tritium Holdings issuing stock for the net assets and listing status of DCRN.

All periods prior to the Merger have been retrospectively adjusted using the Exchange Ratio for the equivalent number of shares outstanding immediately after the Merger to effect the reverse recapitalisation. Additionally, upon the consummation of the Merger, the Company gave effect to the issuance of 15,380,694 shares of Common Stock for the previously issued DCRN common stock and PIPE Shares that were outstanding at the Closing Date. In connection with the Merger, the Company raised $68.2 million of proceeds including the contribution of $53.2 million of cash held in DCRN's trust account from its initial public offering, net of redemptions of DCRN public stockholders of $349.3 million, and $15.0 million of cash in connection with the PIPE financing.

The merger has been accounted for on the following basis:

- The assets, liabilities and retained earnings of Tritium Holdings have been recognised at their pre-transaction carrying amounts.
- The assets and liabilities of DCRN have been recognised at fair value as on the transaction date, which has been determined to approximate carrying values.
- A 'deemed listing expense' shall be recognised as a difference between the fair value of net assets acquired by Tritium Holdings and the deemed fair value of consideration transferred to DCRN's former shareholders, representing a compensation for the service of a stock exchange listing. The estimated fair value of DCFC's equity issued was based on the market values of DCFC's common stock at the date of the transaction. This has been determined as follows:

Description	**USD**
Fair value of deemed consideration	143,501,884
Fair value of DCRN's net assets acquired	(12,750,247)
Listing expense	**156,252,131**

- Additionally, transaction costs totalling $2.4 million were capitalised within Equity, representing direct and incremental costs related to the issuance of new Tritium DCFC shares for the Merger. All other costs were expensed.

38. EVENTS AFTER THE REPORTING PERIOD

Pursuant to the First Amendment Deed dated 13 July 2022, the Liquidity Reserve requirement for the existing $90 million senior debt facility from Cigna & Barings has been reduced from $65.0 million to $25 million. On 2 September 2022, the existing $90 million senior debt facility from Cigna & Barings has been extended by $60 million to a $150 million facility. A committed equity facility for up to $75 million has also been established with B. Riley Principal Capital II, LLC. The net injection of incremental capital of up to $135 million will be used to fund working capital to accelerate production, further product development, and support operations around the world.

The $150 million senior debt facility will refinance the existing $90 million facility and provide a net injection of $60 million. The facility has a 3-year term and 8.5% cash coupon supplemented with the issuance to the lenders or their affiliates of warrants for the purchase of ordinary shares of the Company. The consortium providing the facility comprises long-term supporter Cigna Investments, Inc. (Cigna), the investment arm of Cigna Corporation, a U.S.-based global health services company, in addition to Barings LLC (Barings), a leading global financial services firm and subsidiary of MassMutual, a U.S.-based mutual insurance company, Riverstone Energy Limited.

Statutory Statements

DIRECTORS' DECLARATION

The directors of the Company declare that:

In the opinion of the directors, the financial statements and notes for the year ended 30 June 2022, as set out on pages 1 to 57 are in accordance with the *Corporations Act 2001 (Cth)*, including:

- complying with the Australian Accounting Standards and any further requirements in the *Corporations Regulations 2001*; and

- giving a true and fair view of the Company's and the Groups financial position as at 30 June 2022 and their performance for the year ended on 30 June 2022;

In the opinion of the directors, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note 2 of the financial statements includes a statement of compliance with International Financial Reporting Standards.

This declaration is made in accordance with a resolution of the directors.

Dated this 30th day of September 2022.

Robert Tichio
Director

Auditor's Independence Declaration

As lead auditor for the audit of Tritium DCFC Limited for the year ended 30 June 2022, I declare that to the best of my knowledge and belief, there have been:

(a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Tritium DCFC Limited and the entities it controlled during the period.

Michael Shewan
Partner
PricewaterhouseCoopers

Brisbane
30 September 2022

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Independent auditor's report

To the members of Tritium DCFC Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Tritium DCFC Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2022 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2022
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a loss after income tax of $297.2m and incurred cash outflows from operating activities of $79.7m during the year ended 30 June 2022 and, as of that date, the Group had a total shareholders' deficit of $31.3m. Note 2 also highlights that additional working capital funding is required in order to fund future operating cash flows and maintain the minimum liquidity reserve levels in the Group's financing agreements. These conditions, along with other matters set forth in Note 2, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Materiality	Audit scope	Key audit matters
• For the purpose of our audit we used overall Group materiality of $3.9m. • We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. • The Group designs, sells, manufactures and services proprietary hardware and associated software to create advanced and reliable direct current ("DC") fast chargers for electric vehicles ("EVs") and has operations in	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Accounting for the reverse recapitalisation – Revenue recognition – Accounting for share based payment compensation – Accounting for long-term financing arrangements • These are further described in the *Key audit matters* section of our report, except for the

	Australia, Europe and the United States of America.	matter which is described in the *material uncertainty related to going concern* section.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
Accounting for the reverse recapitalisation ***(Refer to note 37 – Business combination and listing transaction)*** On 13 January 2022, Tritium DCFC Limited (DCFC) merged with Decarbonization Plus Acquisition Corporation II (DCRN) and Tritium Holdings Pty Ltd (Tritium) with both DCRN and Tritium surviving as wholly owned subsidiaries of DCFC. The accounting for the merger as a reverse recapitalisation is a key audit matter because it was a significant transaction for the year given the financial impacts on the Group. In addition, the Group made complex judgements when accounting for the reverse recapitalisation, including: ● Identifying whether DCFC, DCRN or Tritium was the accounting acquirer and acquiree in the transaction. ● Determining the nature of the transaction including whether it meets the definition of a business combination under Australian Accounting Standards. ● Identifying the difference between the fair value of the consideration transferred to DCRN's former shareholders in exchange for the net assets acquired and the resultant expense recognised as a deemed listing expense of $156.2m.	Our procedures in relation to the recognition and presentation of the Group's accounting for the reverse recapitalisation included, amongst others: ● Evaluating the Group's accounting for the transaction against: – the requirements of Australian Accounting Standards, – key merger agreements and other funding agreements, – our understanding of the entities acquired and whether they met the definition of a business as defined in Australian Accounting Standards; and – consistency with relevant minutes of the board of directors' meetings. ● For a sample of material transactions that occurred concurrently with the reverse recapitalisation, we evaluated the key transaction details and terms. This included agreeing a selection of: – Tritium DCFC shares issued as part of the reverse recapitalisation to the share register – transaction costs incurred to the relevant invoice. ● Recalculating the deemed listing expense that arose as a result of the reverse recapitalisation.

Key audit matter	How our audit addressed the key audit matter
	• Evaluating whether the disclosures were consistent with the requirements of Australian Accounting Standards.
Revenue recognition ***(Refer to note 4 – Revenue and other income)*** The Group manufactures, sells and services DC fast chargers which results in various commitments made to customers under the terms of their arrangements. During the financial year, $85.8m of revenue was generated by the Group. The recognition of revenue from these promises is dependent on the terms of the underlying contracts and arrangements with the customers including relevant shipping terms and bill and hold arrangements entered into during the financial year. We considered the recognition of revenue to be a key audit matter due to the financial significance of the Group's revenue and the judgement made by the Group in determining whether the bill and hold criteria had been met during the financial year and at 30 June 2022.	Our procedures in relation to the recognition of the Group's revenue included, amongst others: • Developing an understanding of and evaluating the Group's revenue recognition process by reference to Australian Accounting Standards. • Selecting a sample of contracts and inspecting the relevant contract terms and conditions to assess whether the individual characteristics of each contract were appropriately accounted for. • Selecting a sample of revenue transactions for the sale of hardware and the provision of services and agreeing them to supporting documents, including customer contracts and purchase orders, end of line testing reports, invoices, remittances and bank statements. • Selecting a sample of customers where revenue was recognised under bill and hold arrangements and obtaining external customer confirmations and agreeing specific contract terms including: – purchase order and invoice details – relevant shipping terms – payment terms – the timing of when risk and control passes to the customer • Evaluating whether the disclosures were consistent with the requirements of Australian Accounting Standards.

Key audit matter	How our audit addressed the key audit matter
Accounting for share based payment compensation ***(Refer to note 22 – Share-Based Payments)*** During the financial year, there were a number of share-based payment transactions that occurred, including a modification to the historical loan funded share plan and the shadow equity plan, as well as performance rights issued to employees and key management personnel resulting in the recognition of a share-based payment expense of $28.2m. The accounting for share based payment compensation is a key audit matter due to the complexity in the accounting made by the Group including: • Changes to terms under the loan funded share plan; • Modification of the shadow equity plan from cash-settled to an equity-settled award; and • Determination of the grant date, service commencement date, and vesting period for the performance rights issued during the financial year.	Our procedures in relation to Group's accounting for share based payment compensation included, amongst others: • Evaluating the accounting for the modifications of the loan funded share plan and the shadow equity plan against the requirements of Australian Accounting Standards, and recalculated the related expense for the financial year. • For a sample of grants of new awards during the year: – Obtaining formal documents detailing the relevant terms and conditions of the performance rights issued, – Assessing the grant date of the performance rights and the commencement of the associated services provided by the employees based on the terms and conditions of the arrangement, – Assessing the fair value of the performance rights at grant date, with the assistance of PwC valuation experts. • Recalculating a selection of the expense for the year ended 30 June 2022 based on the grant date fair value, the Group's assumptions for the expected number of performance rights that would vest, and the vesting period, with reference to the terms and conditions stated in the relevant documentation. • Evaluating whether the disclosures were consistent with the requirements of Australian Accounting Standards.
Accounting for long-term financing arrangements ***(Refer to note 21 - Borrowings)*** During the financial year, the Group settled previously recognised mandatorily convertible notes, a senior loan note and a shareholder loan. The Group also entered into a new senior loan note agreement which includes minimum cash liquidity levels. The accounting for long-term financing arrangements is a key audit matter due to the significant refinancing of the borrowings during the financial year (as described in Note 21), the complexity in the	To evaluate the Group's accounting for long-term financing arrangements, we performed the following procedures, amongst others: • Obtaining confirmations directly from the Group's financiers to confirm the borrowings', tenure, and conditions. • Reading the most up-to-date agreements between the Group and its financiers to develop an understanding of the terms

Key audit matter	How our audit addressed the key audit matter
accounting for the early repayment options included in the prior and current agreements and the importance of the capital structure for continued growth.	associated with the facilities, the amount of facility available for drawdown, minimum cash liquidity levels, and terms and conditions relating to early repayment. • Evaluating the early repayment options included in the agreements. • Comparing the Group's accounting for the conversion of convertible notes, and settlement and refinancing of the senior loan note and shareholder loans, with the requirements of Australian Accounting Standards. • Comparing the Group's accounting for borrowing costs for the new and terminated facilities with the requirements of Australian Accounting Standards. • Where debt was regarded as non-current, evaluating the Group's assessment that they had the unconditional right to defer payment. • Evaluating whether the disclosures were consistent with the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2022, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at:
https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

PricewaterhouseCoopers

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Michael Shewan

Michael Shewan	Brisbane
Partner	30 September 2022