Tritium DCFC Limited

ABN 85 650 026 314

Consolidated Annual Report

As of and for the years ended 30 June 2023 and 2022

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These financial statements cover the consolidated entity consisting of Tritium DCFC Limited and its controlled entities (the "Group") and are 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 2023.

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

Jane Hunter (Chief Executive Officer and Executive Director) (appointed 13 January 2022)
Ms. Hunter has served as the Chief Executive Officer and Executive Director 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 Global division, of Boeing Defense Space & Security 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 was a director of the Electric Vehicle Council of Australia and a member of the Manufacturing Ministerial Council (Queensland). In 2018 Ms. Hunter was awarded *Outstanding Contribution to the Aviation or Aerospace Sectors* by Aviation/Aerospace Australia and won the Project Management Category of ADM Women in Defence Awards in 2019. Ms. Hunter won the AmCham Australia 2022 Award for Energy and Clean Technology. Ms. Hunter received a Bachelor of Laws (Hons.) degree and B.A. degree from the University of Queensland. We believe Ms. Hunter's strategic vision for the combined company and her expertise in technology and business operations makes her qualified to serve on our board.

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 Decarbonization Plus Acquisition Corporation III ("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 defences, 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. We believe Mr. Tichio is qualified to serve as the Chair of our board of directors due to his extensive experience in serving on other boards and business and financial acumen.

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 (and as Chairman until January 2022) and previously served as Chair of the Tritium Group of companies 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. We believe Mr. St Baker is qualified to serve on our board of directors because of his more than 60 years of experience in the energy and electricity industries as well as his experience on other public company boards of directors.

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. We believe Mr. Braithwaite is

qualified to serve on our board of directors because of his extensive international experience working with both governments and the private sector.

Dr. David Finn (non-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 December 2022 and on the board of directors since January 2001. He previously served as our Chief Vision Officer (formerly, Chief Growth Officer) from 2020 - 2022 and as the Tritium Group of companies' Chief Executive Officer from 2001 to 2020. 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. We believe Dr. Finn is qualified to serve on our board of directors because of his demonstrated business acumen and decades of experience leading our growth and building our global market presence.

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. We believe Mr. Hightower is qualified to serve on our board of directors because of his years of experience working throughout the global automotive industry.

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. We believe Mr. Walker is qualified to serve on our board of directors because of his many years of experience in the manufacturing and technology sectors, as well as his financial acumen.

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
Jane Hunter	1,088,782
Robert Tichio	1,170,799
Trevor St Baker	38,891,972
Kenneth Braithwaite	37,500
Dr. David Finn	5,102,091
Edward Hightower	37,500
Adam Walker	-

Company Secretary

Sean Simmons is the company secretary as at the date of this report.

Sean Simmons (Australian resident) appointed 22 January 2022 is a qualified solicitor admitted to the Supreme Court of Queensland. Mr. Simmons 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 manufacture, install, own, service and use, and our compact, robust chargers are designed to look great on Main Street and thrive in harsh conditions. As of 30 June 2023, we have sold more than 13,300 DC fast chargers and have provided high-power charging sessions across 47 countries.

Review of operations and operating results

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

During the year ended 30 June 2023, the subsidiaries of Tritium DCFC continued to expand within their major markets of the US, Europe and Australasia as worldwide revenues grew by 115% compared to 2022.

Revenue growth has been directly tied to the charging requirements resulting from the continued adoption of passenger and commercial EVs, which drives demand for charging infrastructure. The market for EVs is still rapidly evolving and, although demand for EVs has grown consistently in recent years and is continuing to grow at an increasing rate, there is no guarantee such demand will persist. Factors impacting the adoption of EVs include, but are not limited to, consumer perceptions about EV features, quality, safety, performance, availability and cost; availability of government-backed incentives to purchase EVs; changes to fuel economy standards and/or the success of alternative fuels; evolving governmental regulation and political support for EVs; volatility in the cost of oil and gasoline; consumer perceptions about the limited range over which EVs may be driven on a single battery charge; availability of charging stations and services for EVs; consumers' perception about the convenience and cost of charging EVs; global supply chain shortages of components used in EVs, and increases in fuel efficiency.

The loss of the consolidated entity after providing for income tax amounts to $120.3 million (2022 loss: $298.6 million), demonstrating a continuing improvement in the financial performance during the year ended 30 June 2023 as the Company added additional production lines and ramped up production rates in its Tennessee factory.

Revenue

Revenue increased by $98.7 million, or 115%, from $85.8 million during the year ended 30 June 2022, to $184.5 million during year ended 30 June 2023, primarily attributable to an increase in external hardware revenue of $98.7 million, offset by a decrease in related parties hardware revenue of $4.4 million and an increase in service and maintenance revenue of $4.3 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 $94.3 million, or 117%, from $80.8 million during the year ended 30 June 2022, to $175.2 million during the year ended 30 June 2023 due to volume and product offerings.

The number of Stand Alone Chargers sold increased by 2,631, or 131%, from 2,006 during the year ended 30 June 2022, to 4,637 during the year ended 30 June 2023. The average selling price of Stand Alone Chargers decreased by $2,467, or 10%, from $25,958 per unit during the year ended 30 June 2022, to $23,491 per unit during the year ended 30 June 2023. The decrease was due to a higher volume of lower powered versions which sell at a lower price.

Sales of Distributed Chargers increased by 1,212 total units, or 185%, from 654 total units for the year ended 30 June 2022 to 1,866 total units for the year ended 30 June 2023. Total units included the sale of 666 Power units during the year ended 30 June 2023. This increase was due to higher market demand for high powered Distributed Chargers in FY2023. The average selling price of Distributed Chargers decreased by $7,770, or 19%, from $40,677 during the year ended 30 June 2022, to $32,908 during the year ended 30 June 2023. This was primarily attributable to a change in the mix of configurations between legacy and newer product lines sold in the recent period and the increase in the sale of Power units.

Software Revenue

Software revenue increased by $0.1 million, or 990%, from $0.0 million during the financial year ended 30 June 2022, to $0.1 million during the year ended 30 June 2023, primarily due to volume.

Service and Maintenance Revenue

Service and maintenance revenue increased by $4.3 million, or 86%, from $5.0 million during the year ended 30 June 2022, to $9.3 million during the year ended 30 June 2023, primarily due to a cumulative increase of units in the field along with higher revenue from Service Level Agreements.

Cost of Goods Sold

Cost of goods sold increased by $101.1 million, or 116%, from $87.5 million during the year ended 30 June 2022, to $188.6 million during the year ended 30 June 2023, primarily attributable to inflation and an overall increase in volume of chargers sold.

Hardware—Cost of Goods Sold

Hardware—cost of goods sold increased by $99.2 million, or 119%, from $83.7 million during the year ended 30 June 2022, to $183.0 million during the year ended 30 June 2023, primarily attributable to an overall increase in volume of chargers sold. The average cost of Stand Alone Chargers decreased by $1,467 per unit, or 6%, from $26,552 per unit during the year ended 30 June 2022, to $25,082 per unit during the year ended 30 June 2023. The average cost of Distributed Chargers decreased by $10,617, or 24%, from $43,726 during the year ended 30 June 2022, to $33,109 per unit during the year ended 30 June 2023. This decrease is due to a higher mix between legacy and newer product lines been sold in the recent period, and the increase in power units sold during the current year.

Service and Maintenance—Cost of Goods Sold

Service and maintenance—cost of goods sold increased by $1.9 million, or 49%, from $3.8 million during the year ended 30 June 2022, to $5.6 million during the year ended 30 June 2023. The increase was attributable to the increase in sales which is offset by lower costs being incurred in the service department.

Foreign Exchange Gain/(Loss)

Foreign exchange gain/(loss) expense increased by $0.1 million, or 3%, from $4.2 million during the year ended 30 June 2022, to $4.3 million during the year ended 30 June 2023, primarily attributable to foreign exchange fluctuations and the volume of transactions denoted in foreign currency.

Finance Costs

Finance costs increased by $10.9 million, or 44%, from $24.9 million during the year ended 30 June 2022, to $35.8 million during the year ended 30 June 2023, primarily attributable to an increase in interest on debt and borrowings which represented an increase of $15.6 million from $17.1 million for the year ended 30 June 2022 to $32.7 million for the year ended 30 June 2023. This increase was attributable to the payment of the prepayment fee of $2.25 million on the CIGNA Refinance Loan 2021 and transaction costs of $0.8 million associated with the B. Riley facility. The increase is mainly attributable to interest expense incurred in connection with the CIGNA Refinance Loan 2021 and

CIGNA Refinance Loan 2022 as a result of an increased principal amount, from $7.1 million for the year ended 30 June 2022 to $18.2 million for the year ended 30 June 2023, as well as the interest expense incurred as a result of the drawdowns on the new Accordion Facility (as defined below), Term Loan Facility and the Unsecured Facilities amounting to $6.5 million during the year ended 30 June 2023 .

Transaction and Offering Related Fees

No transaction and offering related fees were incurred during the year ended 30 June 2023. Transaction and offering related fees of $21.1 million incurred during the year ended 30 June 2022 were in relation to the Business Combination which occurred in May 2021, whereby 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.

Fair Value Movements—Derivative and Warrants

Losses on fair value movements - warrants and derivative decreased by $20.5 million, from a loss of $3.5 million during the financial year ended 30 June 2022, to a gain of $17.0 million during the financial year ended 30 June 2023. During the year the company issued warrants related to the refinancing of the CIGNA loan, (refer to Note 22 for additional information), which resulted in a change in the fair value movement which was primarily attributable to the change in value of the warrant liabilities of $21.3 million offset by a $0.9 million change in fair value of the embedded derivative.

Dividends

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

Significant changes in the state of affairs

A committed equity facility for up to $75.0 million has been established with B. Riley. The net injection of incremental capital will be used to fund working capital to accelerate production, further product development, and support operations around the world.

On 2 September 2022, the existing CIGNA Refinance loan 2022 was refinanced and extended by $60.0 million to a $150.0 million facility ("Facility A") LNSA with Facility A Lenders. The LNSA 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 in Tritium.

On 18 November 2022, an amendment deed was entered into under which the Facility A Lenders, among other matters, provided an extended time period for the effective date under the Accordion Facility to enable Sunset Power Pty Ltd as trustee of St Baker Family Trust to participate in the Accordion Facility as the Accordion Lender. The Accordion Lender provided a committed $10.0 million accordion loan against issue of loan notes by Tritium on 25 November 2022. The Accordion Lender was issued warrants for the purchase of Ordinary Shares in Tritium. The Accordion Facility is secured against the present and after-acquired property of Tritium Holdings Pty Ltd and Tritium Pty Ltd and other Tritium subsidiaries, with security held on trust by CBA Corporate Services (NSW) Pty Limited as security trustee ("LNSA Security Trust"). The Accordion Lender and the Facility A Lenders are beneficiaries of the LNSA Security Trust.

The debt funding under the LNSA is subject to certain financial covenants and a Liquidity Reserve requirement of $25.0 million. Interest on borrowings for each Facility under the LNSA is subject to an interest rate of 8.50% per annum and accrued interest is payable quarterly, with any accrued but unpaid interest outstanding on the termination date thereof (or earlier date that the Facility (or Facilities, as applicable) under the LNSA are repaid) being payable on such date. The LNSA includes an exit fee in an amount equal to 2.5% of the principal amount of each loan note that is being repaid or prepaid.

On 23 December 2022 Tritium Pty Ltd entered into a secured Term Loan Facility with the Sunset Power Pty Ltd as trustee of St Baker Family Trust, among other parties (the "Term Facility Lender"), under which Tritium Pty Ltd borrowed an aggregate principal amount of $20 million to fund charger manufacturing obligations under or in connection with specified purchase orders ("Term Loan Facility"). The outstanding balance of the term loan at 30 June 2023 was $19.7 million. The term loan accrues interest at a rate of 9.50% per annum. Interest is to be paid in arrears on the last day of each interest period, any prepayment date and the final repayment date. The Term Loan Facility is secured through the security held under the LNSA Security Trust, subject to the terms of an intercreditor arrangement which regulates priority as between the Facility A Lenders and Accordion Facility Lender (as the LNSA lenders) and the Term Facility Lender. The borrowings under the Term Loan Facility are repaid through the fulfilment of specifically identified customer purchase orders.

On 5 May 2023, Tritium entered into the Unsecured Facility - Sunset Power, under which Tritium borrowed an aggregate principal amount of $35.0 million to fund working capital requirements. The outstanding balance of this unsecured facility as at 30 June 2023 was $30.5 million. The unsecured facility accrues interest at a rate of 12.0% per annum. Interest accrued capitalises on each interest payment date occurring before the termination date and forms part of the loan. The unsecured facility is subject to the terms of an intercreditor arrangement under which the debt provided by Sunset Power Pty Ltd as trustee of St Baker Family Trust as the lender under this unsecured facility is subordinated to the LNSA Lenders. The loan terms allow Sunset Power Pty Ltd as trustee of St Baker Family Trust the right, on one occasion, to participate in a qualifying fundraising by providing a total aggregate amount of funding equal to the amount of the drawing by Tritium under the unsecured facility. A qualifying fundraising occurs where Tritium enters into agreements with one or more third parties to raise funds (whether by debt or equity or a combination of debt and equity) resulting in gross proceeds to Tritium in excess of $25 million. In addition, from 120 days after drawdown of the loan if Sunset Power Pty Ltd as trustee of St Baker Family Trust has not participated in a qualifying fundraising, it shall have the right to elect to either (i) subscribe for Ordinary Shares in Tritium in one or more private placement transactions (provided aggregate subscription amounts do not exceed an amount equal to the amount of the drawing by Tritium under the unsecured facility) or (ii) subscribe for redeemable preference shares in Tritium with an aggregate subscription price equal to the amount of the drawing made by Tritium under the unsecured facility and warrants for Ordinary Shares.

The loan terms allow Sunset Power Pty Ltd as trustee of St Baker Family Trust to nominate a board appointee as a non-executive director of Tritium from 120 days after drawdown of the loan and so long as Sunset Power Pty Ltd as trustee of St Baker Family Trust and its associated affiliates continue to hold in aggregate at least 15% of the total issued Ordinary Shares in Tritium.

On 5 May 2023, Tritium and its subsidiaries entered into the Unsecured Facility - O-CORP, under which Tritium borrowed an aggregate principal amount of $5.0 million to fund working capital requirements. The outstanding balance of this unsecured facility as at 30 June 2023 was $4.4 million. The unsecured facility accrues interest at a rate of 12.0% per annum. Interest accrued capitalises on each interest payment date occurring before the termination date and forms part of the loan. The unsecured facility is subject to the terms of an intercreditor arrangement under which the debt provided by O-CORP EV LLC as the lender under this unsecured facility is subordinated to the LNSA Lenders. The loan terms allow O-CORP EV LLC the right, on one occasion, to participate in a qualifying fundraising by providing a total aggregate amount of funding equal to the amount of the drawing by Tritium under the unsecured facility. A qualifying fundraising occurs where Tritium enters into agreements with one or more third parties to raise funds (whether by debt or equity or a combination of debt and equity) resulting in gross proceeds to Tritium in excess of $25 million. In addition, from 120 days after drawdown of the loan if O-CORP EV LLC has not participated in a qualifying fundraising, it shall have the right to elect to either (i) subscribe for Ordinary Shares in Tritium in one or more private placement transactions (provided aggregate subscription amounts do not exceed an amount equal to the amount of the drawing by Tritium under the unsecured facility) or (ii) subscribe for redeemable preference shares in Tritium with an aggregate subscription price equal to the amount of the drawing made by Tritium under the unsecured facility and warrants for Ordinary Shares.

There are a number of matters that have occurred subsequent to the financial period which relate to the items included in this section. Refer below for additional information.

Matters subsequent to the end of the financial period

On 21 June 2023, the Company submitted a notification of change of financial year end with the Australian Securities & Investment Commission (ASIC) for Tritium DCFC Limited, Tritium Holdings Pty Ltd, Tritium Nominee Pty Ltd and Tritium Pty Ltd, with effect from the end of the current financial year. The notification was accepted by ASIC on 7 July 2023. Tritium DCFC's next financial year will start on 1 July 2023 and end on 31 December 2023 (being a period of six months). Accordingly, the Company's next annual audited consolidated financial statements will be for the six months ended 31 December 2023.

Pursuant to the Ordinary Shares Purchase Agreement with B. Riley dated 2 September 2022, the company and investor mutually agreed to terminate the agreement on 11 September 2023.

Pursuant to the working capital facility entered into on 23 December 2022, where Sunset Power provided $20.0 million which was drawn down in full on 30 December 2022, the Company obtained a waiver from St Baker in respect of the St Baker Term Loan and consent to the waiver from the Senior Creditors under the intercreditor deed and amendment letter dated 12 September 2023 which included unconditional waivers of any breach of associated representations and warranties under the intercreditor deed in relation to late interest payments, repayments and collections account that occurred prior to the amendment date and removing the requirement to deposit funds into the Collections Account going forward. The repayment date for any amounts outstanding is 30 April 2024.

Additionally, pursuant to the Financing arrangements with Sunset Power Pty Ltd as trustee of St Baker Family Trust ("Sunset Power") and O-CORP EV LLC ("O-Corp"), the Company obtained a written acknowledgement from St Baker and O-Corp on 12 September 2023 to extend the Qualifying Fundraising Long Stop Date from 12 September 2023 to 3 December 2023. The Company obtained consent from the Senior Creditors under the Senior Loan Note Subscription Agreement to allow St Baker and O-Corp to extend the Qualifying Fundraising Long Stop Date from 12 September 2023 to 3 December 2023. For further information, refer to Note 22 —Borrowings.

On 12 September 2023, the Company entered into the Preference Shares SPA for a $75.0 million facility, which will be funded in multiple closings. The Preference Shares Offering provides for the purchase of up to $75 million in Preference Shares of the Company. Other details include:

- The initial funding of $25 million was provided in escrow on 12 September 2023, and subsequently released from escrow on 22 September 2023 on the filing of the Company's financial statements on Form 20-F and the related prospectus supplement and issuance of the Preference Shares.
- The subsequent fundings are up to $21 million and may occur at the 4-calendar month anniversary of the prior closing subject to conditions.
- The preference shares all have a term that ends on the 19-month anniversary of their issuance at 100% of the face value and are convertible at the lower of 120% of the traded ordinary share price at issuance or 94% of the dollar volume-weighted average price (VWAP) as set out below at conversion dates.
- The Company shall make redemption payments that cause the redemption of the commensurate number of then-issued Preference Shares based on the Redemption Value with the first instalment occurring on the 10-day anniversary of the Initial Closing date, or subsequent Closing date as applicable, and each subsequent Instalment occurring every 20 trading days thereafter. Each instalment payment shall be $5.3 million.
- The Company can choose to redeem by way of payment of the Instalment in cash or, subject to equity conditions, substitute a cash Instalment by converting the Preference Shares to ordinary shares of the Company, or a combination thereof.
- The ordinary shares resulting from a conversion in lieu of a cash Instalment would be valued at the Instalment Amount (and would offset the applicable cash Instalment), calculated as the lesser of
    i. the Fixed Conversion Price (being 120% of the issuance date price)
    ii. 94% of the arithmetic average of the three lowest daily VWAPs of the 10 trading days prior to the payment date or

iii. 94% of the VWAP of the trading day prior to payment date.

iv. in the event of the share price falling below $0.75 or at least $0.9 million in average daily trading volumes not being achieved, conversion would be at 85% of the trading VWAP.

- The Company may early terminate the financing facility within 20 days' notice, provided the notice is given prior to 20 October 2023.

On 12 September 2023, the holders of the Financing Warrants delivered the required notice pursuant to the Financing Warrant Agreement Amendment of their intent to exchange all outstanding Financing Warrants for Ordinary Shares. Pursuant to the notice, we issued 8,254,527 Ordinary Shares in consideration of the 1,173,372 issued and outstanding Financing Warrants.

Pursuant to the Amendment Deed dated 2 September 2022, the Liquidity Reserve requirement for the existing $150 million senior debt facility from Cigna & Barings is $25 million. On 3 July 2023, the Group's liquidity fell below the minimum required amount and the Group was able to restore it by 12 September 2023 through the receipt of the Preference Shares Offering. As a result of the Group's ability to restore the minimum liquidity balance and to present expected future inflow of funds and expected timing, the lenders confirmed on 13 September 2023 that this event was remediated and accordingly no Review Event Notice will be issued.

On 12 September 2023, an additional waiver was granted to unconditionally waive the liquidity reserve requirement for the senior debt facility from $25 million to nil effective from the date of this report until 31 December 2023.

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, which will employ more than 600 people over the next five years and have the potential in the future to produce approximately 30,000 units per year at peak capacity. Production began at the Tennessee facility in the third calendar quarter of 2022. 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 fuel and convenience, major retail centres and convenience retail centres, utilities, adjacent opportunities.

The business continues to invest in research and development and expects to introduce further new products to meet market demand and is confident that its continuing growth in forward sales of its present range of new modular chargers in production will allow the Company to continue to expand in convenient urban locations where there are limits on the scale of peaking power supply available.

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 non-compliant operations.

Shares issued under options

The Shadow Equity scheme is maintained 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.

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 2023 and up to the date of this report, 326,211 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 no additional ordinary shares expected to be issued in order to settle the remaining outstanding benefits under the shadow equity scheme (net of applicable withholdings).

Shares issued on the exercise of warrants

During the year ended 30 June 2023 and up to the date of this report, there were 3,790,431 ordinary shares of Tritium issued on the exercise of public, private and other warrant liabilities of the Group.

Unissued shares

As at the date of this report, there are no 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).

In addition, a minimum of 10,441,504 ordinary shares of Tritium are issuable upon the exercise of the outstanding public, private and other 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 expire on 13 January 2027. Whereas the Other warrants have an exercise price of $0.0001 per warrant, vesting in three tranches on 2 September 2022, 2 June 2023 and 2 March 2024, with an expiry date of 2 September 2025. The public, private and other warrants do not entitle their holders to any rights to participate in any share issues by Tritium. The total shares issuable on exercise of the other warrants may be greater than the number of other warrants issued due to some clauses in the relevant warrant agreement pertaining to exercise conditions.

We maintain various share-based payment schemes - Employee Share Scheme ("ESS"), Long-Term Incentive Plan ("LTIP"), Short-Term Incentive Plan ("STIP") and Employee Share Purchase Plan ("ESPP").

ESS

There are 596,227 unissued ordinary shares of Tritium DCFC Limited, that were offered to employees on 23 June 2022 under the ESS. 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 Oct 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 27 June 2025 failing which these performance rights will be deemed to have been exercised on that date.

LTIP

There are 780,708 unissued ordinary shares of Tritium DCFC Limited, that were offered to employees from 1 July 2022 to 30 June 2023 depending on the contract date 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 expire at various dates based on the vesting conditions 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 within 3 years from the vesting date for Australian employees failing which these performance rights will be deemed to have been exercised on that date. The Performance Rights must be exercised immediately upon payroll processing for US, UK and EU employees.

STIP

There are 178,169 unissued ordinary shares of Tritium DCFC Limited, that were offered to employees depending on the contract date under the STIP. 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 31 December 2023 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 within 3 years from the vesting date of 31 December 2023 for Australian employees, failing which these performance rights will be deemed to have been exercised on that date.

ESPP

There are 570,866 unissued ordinary shares of Tritium DCFC Limited, that were offered to employees on 1 April 2023 under the ESPP. 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 30 September 2023 and the exercise price will be the lower of Tritium's ordinary share price on 1 April 2023 and 30 September 2023, discounted by 15% discount. 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 1 October 2023 failing which these performance rights will be deemed to have been exercised on that date.

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
Adam Walker	2023	LTIP	9 July 2022	$6.49	2 July 2023	15 March 2024	13,594	0	0	$88,225	13,594
Adam Walker	2023	LTIP	9 July 2022	$6.49	2 July 2024	15 March 2025	13,594	0	0	$88,225	13,594
Adam Walker	2023	LTIP	9 July 2022	$6.49	2 July 2025	15 March 2026	13,595	0	0	$88,232	13,595
Adam Walker	2023	STIP	9 July 2022	$6.49	2 July 2023	15 March 2024	20,391	0	0	$132,338	20,391
Jane Hunter	2023	STIP	20 April 2023	$1.08	31 December 2022	20 April 2030	146,729	146,729	0	$158,467	146,729
Jane Hunter*	2023	LTIP	30 June 2023	$1.09	1 January 2023	30 June 2030	167,386	167,386	0	$182,451	167,386
Jane Hunter*	2023	LTIP	30 June 2023	$1.09	1 January 2024	30 June 2031	167,386	167,386	0	$182,451	167,386
Jane Hunter*	2023	LTIP	30 June 2023	$1.09	1 January 2025	30 June 2032	167,386	167,386	0	$182,451	167,386
Robert Topol	2023	LTIP	4 November 2023	$1.70	10 September 2022	15 March 2023	8,040	8,040	0	$13,668	8,040
Robert Topol	2023	LTIP	16 May 2023	$1.03	1 January 2024	15 March 2025	110,122	0	0	$113,426	110,122
Robert Topol	2023	LTIP	16 May 2023	$1.03	1 January 2025	15 March 2026	110,122	0	0	$113,426	110,122
Robert Topol	2023	LTIP	16 May 2023	$1.03	1 January 2026	15 March 2027	110,122	0	0	$113,426	110,122
Robert Topol	2023	STIP	15 March 2023	$1.31	1 January 2023	15 March 2023	79,766	79,766	0	$104,493	79,766
Glen Casey	2023	STIP	5 April 2023	$1.11	31 December 2022	5 April 2026	56,884	56,884	0	$63,141	56,884
Glen Casey	2023	LTIP	5 May 2023	$1.00	28 February 2023	5 May 2026	56,155	56,155	0	$56,155	56,155
Glen Casey	2023	LTIP	5 May 2023	$1.00	28 February 2024	5 May 2027	56,156	0	0	$56,156	56,156

** The grant date has been estimated as at 30 June 2023 where formal acceptance (as required under the plan rules) has not yet been received from the individuals.*

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 premium amount was $1.46 million. In addition, there is an Australian policy premium of $3.18 million.

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 26 Director's meetings, 6 Audit committee meetings, 5 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	26	6	5	2
Trevor St Baker	22	1	5	-
Kenneth Braithwaite	15	-	3	2
Edward Hightower	18	3	2	-
David Finn	23	-	-	2
Jane Hunter	26	2	4	-
Adam Walker	22	6	-	-

All directors were eligible to attend all meetings held.

Committee membership

We have established a separately standing audit committee, nominating and corporate governance committee and compensation committee.

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	David Finn
Edward Hightower	Kenneth Braithwaite	Kenneth Braithwaite
	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 is publicly available through the company website www.tritiumcharging.com under the shareholders FAQs section.

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

Robert Tichio
Director

Brisbane
29th day of September 2023

Auditor's Independence Declaration

As lead auditor for the audit of Tritium DCFC Limited for the year ended 30 June 2023, 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
29 September 2023

Consolidated Statements of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2023

	Note	12 months to 30 June 2023 US$'000	12 months to 30 June 2022 US$'000
Revenue from contracts with customers	5	184,544	85,821
Cost of sales of goods and services	6	(188,627)	(87,518)
Gross loss		(4,083)	(1,697)
Selling, general and administration expense	7	(77,263)	(68,636)
Product development expense	8	(7,967)	(7,746)
Depreciation and amortisation expense	9	(8,133)	(10,767)
Foreign currency (gain)/loss		(4,344)	(4,208)
Total operating costs and expenses		(97,707)	(91,357)
Loss from operations		(101,790)	(93,054)
Other income (expense), net:			
Other income	5	318	224
Finance costs	10(a)	(35,843)	(24,910)
Derivative and warrants – fair value measurement	10(b) &23	16,977	(3,491)
Listing expenses	39	-	(156,252)
Transaction and offering related fees	11	-	(21,098)
Total other expenses		(18,548)	(205,527)
Loss before income tax expense		(120,338)	(298,581)
Income tax expense	12	-	(20)
Loss after income tax expense for the year		(120,338)	(298,601)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Exchange differences on translation of foreign operations		2,110	8,041
Other comprehensive income/(loss) for the year, net of tax		2,110	8,041
Total comprehensive loss for the year		(118,228)	(290,560)

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

Consolidated Statements of Financial Position

As at 30 June 2023

	Note	30 June 2023 US$'000	30 June 2022 US$'000
Assets			
Current assets			
Cash and cash equivalents	13	29,421	70,753
Trade and other receivables	14	43,626	30,557
Inventories	15	140,291	54,349
Prepayments	16	3,745	4,873
Other financial assets	17	17,437	15,675
Total current assets		234,520	176,207
Non-current assets			
Property, plant and equipment	18	17,833	11,151
Intangibles	19	10,246	8,053
Right of use assets	20	23,432	23,552
Total non-current assets		51,511	42,756
Total assets		**286,031**	**218,963**
Liabilities			
Current liabilities			
Trade and other payables	21	72,505	54,090
Transaction and offer related fees		42,593	20,554
Borrowings	22	194,639	74
Employee benefits	25	2,997	2,653
Other provisions	26	3,489	2,632
Contract liabilities	28	47,127	37,884
Lease liabilities	20	3,297	3,264
Warrant Liability	23	11,627	12,340
Financial instruments - derivative	23	8,399	-
Total current liabilities		386,673	133,491
Non-current liabilities			
Borrowings	22	-	88,269
Employee benefits	25	317	217
Other provisions	26	2,889	2,652
Contract liabilities	28	5,798	2,231
Lease liabilities	20	24,353	24,726
Total non-current liabilities		33,357	118,095
Total liabilities		420,030	**251,586**
Net assets/(liabilities)		(133,999)	(32,623)
Equity			
Issued capital	29	413,632	397,835
Reserves	30	27,020	23,855
Accumulated losses		(574,651)	(454,313)
Total Equity		(133,999)	**(32,623)**

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

Consolidated Statements of Changes in Equity

For the year ended 30 June 2023

	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 2021		92,809	4,383	338	(3,396)	5,263	-	-	(155,712)	(56,315)
Net Loss		-	-	-	-	-	-	-	(298,601)	(298,601)
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	39	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	39	(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)**	**(454,313)**	**(32,623)**
Revised Balance at 1 July 2022		397,835	-	338	4,645	20,838	4,850	(6,816)	(454,313)	(32,623)
Net Loss		-	-	-	-	-	-	-	(120,338)	(120,338)
Other comprehensive loss for the period, net of tax		-	-	-	2,110	-	-	-	-	2,110
Issuance of Tritium DCFC ordinary shares related to the Shadow Equity Plan		3,262	-	-	-	(3,262)	-	-	-	-
Issuance of Tritium DCFC ordinary shares related to related to the 1% share		3,874	-	-	-	(3,874)	-	-	-	-
Issuance of Tritium DCFC ordinary shares related to related to the LTIP		841	-	-	-	(841)	-	-	-	-
Issuance of Tritium DCFC ordinary shares related to related to the STIP		652	-	-	-	(652)	-	-	-	-
Issuance of Tritium DCFC ordinary shares related to B. Riley purchase agreement		2,413	-	-	-	-	-	-	-	2,413
Exercise of warrants		4,755	-	-	-	-	11			4,766
Equity component of the financing arrangement	22	-	-	-	-	-	-	-	-	-
Share-based compensation (1% share allocation)		-	-	-	-	3,521	-	-	-	3,521
Share-based compensation (LFSP Share repayments)		-	-	-	-	690	-	-	-	690
Share-based compensation (STIP)		-	-	-	-	2,706	-	-	-	2,706
Share-based compensation (LTIP)		-	-	-	-	2,691	-	-	-	2,691
Share-based compensation (ESPP)		-	-	-	-	65	-	-	-	65
Balance at 30 June 2023		**413,632**	**-**	**338**	**6,755**	**21,882**	**4,861**	**(6,816)**	**(574,651)**	**(133,999)**

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

Consolidated Statements of Cash Flows

For the year ended 30 June 2023

	Note	12 months to 30 June 2023 US$'000	12 months to 30 June 2022 US'$000
Cash flows from operating activities			
Receipts from customer (inclusive of GST)		171,475	98,502
Payments to suppliers and employees (inclusive of GST)		(301,134)	(174,772)
Interest received		147	7
Interest paid		(21,660)	(3,419)
Income from government grants		-	18
Net cash used in operating activities	35	(151,172)	(79,664)
Cash flows from investing activities			
Payments for property, plant and equipment		(8,007)	(7,025)
Proceeds from disposals of property, plant and equipment		56	-
Payment of assets in development, net of cash incentives		(7,372)	(6,285)
Net cash used in investing activities		(15,323)	(13,310)
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 issuance of Class A Ordinary Shares B Riley		1,672	-
Proceeds from Loan Funded Share Plan		690	-
Proceeds from borrowings – external parties		56,705	117,527
Proceeds from borrowings – related parties		75,423	-
Transaction costs for borrowings		(8,178)	(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)
Payment of principal portion of lease liabilities		(2,977)	(2,859)
Net cash used in financing activities		123,335	156,145
Net increase / (decrease) in cash and cash equivalents		(43,160)	63,171
Cash and cash equivalents at the beginning of the financial year		70,753	6,157
Effects of exchange rate changes on cash and cash equivalents		1,828	1,425
Cash and cash equivalents at the end of the financial year	13	29,421	70,753

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

Notes to the Consolidated Financial Statements

For the year ended 30 June 2023

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 is:

Tritium DCFC Limited
48 Miller St
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 29 September 2023. 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

The Group incurred an operating loss after income tax of $120.3 million (2022: $298.6 million) and operating cash outflows of $151.2 million (2022: $79.7 million) for the year ended 30 June 2023. As at 30 June 2023, the Group had a net liability position of $134.0 million (2022: $32.6 million) and net current liability position of $152.2 million (2022: net current assets of $42.7 million). In addition, the Group has sought and received a number of waivers from its lenders for failing to meet obligations under their debt agreements during the financial year ended 30 June 2023 (refer to Note 22 and Note 42 for details) and has been required to enter into arrangements with key creditors to support working capital management initiatives.

This financial position has arisen as the Group has primarily funded its operating cash outflows in the period to 30 June 2023 through raising debt from various external sources. These external borrowing facilities require the Group to maintain minimum liquidity reserve levels throughout the term of the arrangements, as well as to be in compliance with debt covenants commencing in March 2024.

The Board approved cashflow forecasts for the Group indicate that the Group will continue to incur operating cash outflows for at least 12 months from the date of this report to fund its operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

a) Going concern CONTINUED

Subsequent to 30 June 2023, the Group entered into a securities purchase agreement (as amended on 18 September 2023, the "Preference Shares SPA") for Series A redeemable convertible preference shares, ("Preference Shares"), with an institutional investor (the "Preference Shares Offering") (refer to Note 42), raising an initial $25 million, with an option for subsequent tranches (total facility is $75 million), subject to conditions. An amount of $22.6 million (net of transaction costs) was provided in escrow on 13 September 2023, and was released from escrow on 21 September 2023 based on the Group satisfactorily meeting the required conditions.

Successful conversion to ordinary shares is subject to equity market and default conditions in the agreement, and in some circumstances, cash redemption may be required (refer to Note 42. The Group expects that the Preference Shares will be fully converted into the Group's ordinary shares over the next 120 days.

Although the additional funding from the Preference Shares SPA has been secured and received subsequent to year end, the Board approved cashflow forecasts indicate that the Group will need additional capital in the short term to fund its financing obligations, settle current liability obligations as they fall due, strengthen the Group's balance sheet, and meet bank covenants.

As a result of the above factors, the ability of the Group to continue as a going concern is dependent on a number of factors including its ability to:

- meet the Board approved cashflow forecasts, including timely receipt of payments from customers, and the ability to effectively manage working capital;
- raise sufficient funding in the short term to meet its current obligations, and settle current liability obligations as they fall due;
- receive the ongoing support of its lenders and shareholders;
- meet, renegotiate or defer the obligations in its debt agreements, including in relation to the minimum liquidity reserve levels and bank covenants (commencing in March 2024) as outlined in Note 22;
- successfully convert the institutional investor preference shares to ordinary share capital under the terms of the agreement; and
- fund any cash redemption requirements that may arise under the institutional investor convertible preference share facility.

The Group is currently assessing funding options from various external sources and management and the Board of Directors consider it has reasonable grounds to believe that they can raise additional capital in the timeframes and quantum required. However, there is no guarantee that additional capital raisings will be completed, will provide sufficient funding, or that funding will be obtained on terms acceptable to the Group, if at all.

As a result of the above events and conditions, there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and therefore, the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

In determining the Group's ability to continue as a going concern, the Board of Directors has considered the following:

- Demand for goods: The demand for products provided by the Group has increased significantly over the past 24 months and is forecast to continue. The Group had a sales backlog of $99 million as at 30 June 2023, which is the basis for continued revenue growth into financial year 2024. The Group has invested heavily in its inventory balance to fulfil these sales orders, supporting an accelerated production ramp.
- Path to profitability: The Group's scale in the first half of calendar year 2023 is driving positive gross margin for its products and the ability for it to fund its own working capital requirements in future periods.
- Support from lenders and shareholders: The Group has demonstrated an ability to raise capital over a long period of time, stretching back to 2012, to fund R&D and operational expansion through loss making periods. St Baker group, Tritium's largest shareholder, has injected debt and equity on more than 11 separate occasions since 2013. This has included $70 million in the 12 months to 30 June 2023. During the twelve months to 30 June 2023, the Group was successful in raising $130 million through three debt facilities, as well as the additional $25 million through the Preference Shares SPA executed post-30 June 2023. The Preference Shares SPA also provides for a potential further $50 million of Preference Shares to be issued, for a total of $75 million of Preference Shares, subject to conditions. This has demonstrated the Group's continued relationships with debt lenders to provide the necessary funding to support the Group's increased production and cash flow requirements over the next twelve months.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

a) Going concern CONTINUED

- Customer wins: The Group continues to solidify its position as the #1 supplier of DC fast chargers in the US (#2 position globally across ANZ, US and Europe), and is expecting a significant increase in revenue this year based on strong sales backlog. With the investment in the Tennessee factory already made, Tritium is well-positioned to benefit from demand for Buy America-compliant EV fast chargers, driven by funding from the National Electric Vehicle Infrastructure ("NEVI") Formula Program and the Inflation Reduction Act.

- Regulatory or operational framework: The Group has made significant progress improving the operational structure, controls and processes, as well as hiring key talent in critical business functions. There are no major changes to the Group's operational framework, including supplier management, customer mix, and the Group's workforce, that are expected for the foreseeable future.

In considering the circumstances above, management and the Directors believe the Group will be successful in the above matters as the Group and its ultimate parent have a strong history of being able to raise capital from debt and equity sources and accordingly, that the going concern basis of preparation is appropriate.

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 the financial statements. These consolidated 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 36.

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 2023.

On 25 May 2021, Tritium DCFC entered into a Business Combination agreement (the "Business Combination Agreement" or "BCA") with Tritium Holdings and DCRN. On 13 January 2022 (the "Closing Date"), the BCA was consummated and Tritium Holdings and DCRN became wholly owned subsidiaries of Tritium DCFC (the "Business Combination").

The Business Combination has been accounted for as a continuation of the financial statements of Tritium Holdings, in accordance with Australian Accounting Standards. Under this method of accounting, Tritium DCFC and DCRN have been treated as the "acquired" companies for financial reporting purposes. For accounting purposes, Tritium Holdings has been deemed to be the accounting acquirer in the transaction and, consequently, the transaction has been treated as a recapitalization of Tritium Holdings (i.e., a capital transaction involving the issuance of shares by Tritium Holdings for the net assets of DCRN, accompanied by a recapitalization of Tritium Holdings).

Consequently, Tritium Holdings has been deemed the accounting predecessor, meaning that Tritium Holdings' consolidated assets, liabilities and results of operations have become the historical financial statements of the Group.

Additional details related to the accounting for the BCA have been disclosed in the consolidated financial statements of Tritium DCFC Limited for the year ended 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

c) Basis for consolidation CONTINUED

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.

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 34 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

(d) Revenue and other income

Revenue from contracts with customers

Revenue is recognised when or as the control of the goods or services are transferred to customer. Depending 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 including the manufacture, sale and services of electric vehicle DC fast chargers as well as the provision of shipping and storage services. For such arrangements, the Group allocates the contract price to each distinct performance obligation based on the 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.

Where applicable, the Group has elected to apply the practical expedient available under AASB 15 *Revenue from Contracts with Customers* on all sales of goods and has not adjusted the promised amount of consideration for the effects of a significant financing component.

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 the 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 as required by the local jurisdictions 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.

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 goods sold when control over the chargers, parts or accessories have transferred to the customer.

Rendering of services revenue
The Group generates revenue from services in relation to installation, 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 recognizes 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 arrangements
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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(d) Revenue and other income CONTINUED

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.

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 previous 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 Statements of Operations and Comprehensive Loss 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.

(e) 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

2. SUMMARY OF SIGNIFICAN T ACCOUNTING POLICIES CONTINUED

(e) Income tax CONTINUED

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.

(f) 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.

(g) 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 statements 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.

(h) 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 Statements 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(h) Trade and other receivables CONTINUED

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

(i) 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 Consolidated Statements of Profit or 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 2023 is $0.7 million (2022: $0.5 million).

(j) 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 Consolidated Statements 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.

(k) 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

(k) 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-cancellable 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.

(l) 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.

Any cash amounts received from government agencies 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(l) Intangible assets CONTINUED

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.

(m) 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.

Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(m) Financial instruments CONTINUED

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 14 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).

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(m) Financial instruments CONTINUED

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 Consolidated Statements 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 Statements 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.

(n) 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 18)
- Intangible assets (Note 19)

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.

(n) Impairment of non-financial assets

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 loss 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 Consolidated Statements of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(o) 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.

(p) Transaction and offer related fees

Transaction and offering related fees relates to advisory fees outstanding in relation to the special purpose acquisition company listing and are expected to be settled in cash. Amounts recognised as at June 30 2023 include balances previously recognised as provisions, which have now been re-classified out of provisions where the amounts are known. The Group and the related suppliers have mutually agreed to extend the due date of the payable balance to 1 July 2024 and should the Group raise sufficient capital, the amounts may be paid prior to that date.

(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 as required by local laws in the relevant jurisdiction 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.

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 Statements of Financial Position. Warranty expense is recorded as a component of cost of sales of goods and services in the Consolidated Statements 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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(t) Employee benefits CONTINUED

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 Statements 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

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), Employee Share Scheme (ESS), Long-Term Incentive Plan (LTIP), Short-Term Incentive Plan (STIP) or Employee Share Purchase Plan ("ESPP") or cash settlement under the Group's Shadow Equity Plan (SEP).

Awards issued under the Group's SEP were originally cash-settled arrangements. However, 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. The SEP fully vested at 30 June 2022 and no further issuances were made during the year ended 30 June 2023.

Awards issued under the other plans 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.

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.

In respect of the LFSP, because there was no public market for common shares when this plan was introduced, 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 company-specific performance measures). The Group recognises the share-based compensation expense for LFSP at the grant date as there are no service conditions attached to LFSP equity awards. Further details as to the inputs into the fair value of the respective grants is outlined in Note 24.

(u) Net loss per share

The net loss per share information is determined using the legal share capital structure of Tritium DCFC. Net loss per share for the prior reporting periods has been revised using the exchange ratio established in the Business Combination. Refer to Note 40 for additional details.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(u) Net loss per share CONTINUED

Diluted loss per share is computed by dividing loss available to common shareholders by the weighted-average number of ordinary shares outstanding during the period increased to include the number of additional ordinary shares that would have been outstanding if the potentially dilutive securities had been issued. As the Group incurred losses for all periods presented, potentially dilutive securities have been excluded from fully diluted loss per share as their impact is anti-dilutive and would reduce the loss per share.

(v) Fair value measurement

The Group uses valuation approaches that maximise the use of observable inputs and minimise 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 minimise 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.

(w) Share capital

As at 30 June 2023, there were 160,036,639 Tritium DCFC ordinary shares issued (2022: 153,094,269 ordinary shares)

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.

(x) 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.

(y) Economic dependence

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(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 "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 Ordinary Shares, par value $0.0001 ("Ordinary Shares"), at an exercise price of $10.00 per share. During the year ended 30 June 2023, 10,146 (2022: 4,379,462) Public Warrants and zero (2022: 8,125,520) Private Placement Warrants were exercised. The remaining 9,026,984 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 Ordinary Shares 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 warrants and concluded that they do not meet the criteria to be classified within shareholders' equity. The agreement governing the warrants includes a provision ("Replacement of Securities Upon Reorganization"), the application of which could result in a different settlement value for the 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 shares." 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 warrants (both the Public Warrants and the Private Placement Warrants) would be entitled to receive cash for all of their warrants. Specifically, in the event of a qualifying cash tender offer (which could be outside of the Company's control), all 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 warrants in shareholders' equity. As the warrants meet the definition of financial liability, the Company has recorded these warrants as liabilities in the Consolidated Statements of Financial Position at fair value, with subsequent changes in their respective fair values recognised in the Consolidated Statements of Profit or Loss and Other Comprehensive Income at each reporting date.

During the year ended 30 June 2023, the Group issued 2,166,229 warrants in conjunction with refinancing of the senior debt facility and the Accordion facility (the "Financing Warrants"). The warrants vest in three equal tranches over a period of eighteen months and entitle the holder to purchase one share of the Group's ordinary shares, at an exercise price of $0.0001 per share. During the year ended 30 June 2023, 992,856 warrants were exercised. At 30 June 2023, 1,173,373 warrants remain outstanding. The terms of the warrants also allow a 'cashless exercise' by the holder, at their discretion, wherein, the Group will deliver a net number of shares to the holder, without any cash receipts. The terms of the warrant also provide for a minimum guaranteed value that will be delivered by the Group to the holder of the warrants, varying with the date on which the warrants are exercised.

Any shortfall in the guaranteed value may be delivered by the Group in the form of additional ordinary shares or cash, at its discretion, except where the delivery of additional ordinary shares will result in the holder acquiring an equity interest in the group exceeding 10% (or 20% with its affiliates), in such situations the additional guaranteed value must be delivered in cash.

The Group evaluated the warrants and concluded that they do not meet the criteria to be classified as equity instruments. This is primarily based on the fact that the Group may be obligated to deliver cash to the warrant holders, to deliver the minimum guaranteed value. As such, the warrants have been classified as a financial liability instrument, measured at fair value with subsequent changes in fair value recorded in Consolidated Statements of Profit or Loss and Other Comprehensive Income.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(aa) 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 applicable to the Group from 1 July 2022 (unless otherwise stated). The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to AASB 137

An onerous contract is a contract under which the unavoidable costs (i.e., the costs that the Group cannot avoid because it has the contract) of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

The amendments specify that when assessing whether a contract is onerous or loss-making, an entity needs to include costs that relate directly to a contract to provide goods or services include both incremental costs (e.g., the costs of direct labour and materials) and an allocation of costs directly related to contract activities (e.g., depreciation of equipment used to fulfil the contract as well as costs of contract management and supervision). 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 were effective for the Group from 1 July 2022. The Group applied these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the reporting period and the impact was not material.

Amendment to AASB 9, Fees in the '10 per cent' Test for Derecognition of Financial Liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. There is no similar amendment proposed for AASB 139 Financial Instruments: Recognition and Measurement. The amendments were applied by the Group from 1 July 2022. These amendments had no impact on the consolidated financial statements of the Group.

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 applicable to the Group from 1 July 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice.

Amendments to AASB 116 Leases: Lease Liability in a Sale and Leaseback

In November 2020, the International Accounting Standards Board (IASB) published an Exposure Draft (ED) to propose an amendment to AASB 116 Leases related to the measurement of a lease liability in a sale and leaseback transaction with variable lease payments. In December 2020, the Australian Accounting Standards Board (AASB) also issued an ED that corresponds to the IASB's ED on this topic. The proposed amendment would specify the method a seller-lessee uses in initially measuring the right-of-use asset and liability arising in a sale and leaseback transaction with variable lease payments and how the seller-lessee subsequently measures that liability. The proposed amendment would require a seller-lessee to estimate the variable lease payments it expects to make over the lease term. This proposed amendment aims to provide better clarity for seller-lessees both at the date of transaction and subsequently to ensure consistent accounting for such transactions. The proposed amendment would not change the accounting for leases other than those arising in a sale and leaseback transaction. The amendments are applicable to the Group from 1 July 2024, with earlier application is permitted. These amendments had no impact on the consolidated financial statements of the Group as the Group does not currently have any sale or leaseback arrangements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(aa) 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 applicable to the Group from 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 to the Group from 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 amendments are applicable to the Group from 1 July 2023. The Group is currently assessing the impact of the amendments.

International Tax Reform Pillar Two Model Rules – Amendments to AASB 112

The amendments introduce a mandatory temporary exception in AASB 112 from recognising and disclosing deferred tax assets and liabilities related to Pillar Two income taxes. The exception applies retrospectively and immediately. The disclosure requirements are applicable to the Group from 1 July 2023. The amendments are intended to provide temporary relief, avoid diverse interpretations of AASB 112 developing in practice and improve the information provided to users of financial statements before and after Pillar Two legislation comes into effect. The Group has not applied the exceptions provided under these amendments.

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 20 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 measures the cost of equity-settled transactions with employees using the Black-Scholes model to determine the fair value of its obligations at the grant date. This requires an estimation of several factors such as the risk-free interest rate, expected volatility and term. Additional details have been provided in Note 24.

Determination of the term of financing arrangements

The Group has entered into certain financing arrangements, wherein the agreements do not provide a fixed date on which the loans must be repaid. Rather, the agreements provide for the conversion of outstanding balances into another financial instrument, depending on the outcomes of uncertain future events. In order to determine the appropriate accounting for these financing arrangements, management applies judgment in determining the most likely outcomes of uncertain future events, including the timing of such events, which impact the accounting treatment of these financing arrangements. Additional details have been provided in Note 23.

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.

3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS CONTINUED

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. As at 30 June 2023, the carrying amount of capitalised development costs was $10,401,000 (2022: $8,053,000). 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 5 *Revenue and Other Income* for additional details.

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 39 *Business combination and listing transaction* for additional information.

Warrant liabilities

The Group accounts for warrants as either equity or liability instruments based on an assessment of the warrant's specific terms and applicable requirements of Australian Accounting Standards ("AAS"). The assessment considers whether the warrants are financial instruments that meet the definition of a liability , and whether the warrants meet all of the requirements for equity classification pursuant to AAS. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent period end date while the warrants are outstanding.

Additionally, the measurement of warrants involves a degree of judgment and estimation around multiple factors including volatility, risk-free rate, dividend yield, among others. Refer Note 23 for additional details.

4. REVISION OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

During the year, the Group identified that certain items of inventories were incorrectly measured which led to them being overstated at 30 June 2022. The Group procured certain parts on behalf of a raw material supplier, that once consumed by the supplier were not subsequently updated in accordance with the requirements of the accounting guidance. The impact of the adjustment is immaterial however the Group has corrected it on a voluntary basis by revising the prior year financial statements.

The assessment above has been reflected by revising each of the affected financial statement line items for the prior periods as follows. There was no impact on previously reported cashflows:

Consolidated Statements of Profit or Loss and Other Comprehensive Income

	30 June 2022 As previously reported US$'000	Revision US$'000	30 June 2022 Revised balance US$'000
Cost of sales of goods and services	(86,161)	(1,357)	(87,518)
Loss from operations	**(91,697)**	**(1,357)**	**(93,054)**
(Loss) before income taxes	**(297,224)**	**(1,357)**	**(298,581)**
Total comprehensive (loss)	**(289,203)**	**(1,357)**	**(290,560)**

Consolidated Statements of Financial Position

	30 June 2022 As previously reported US$'000	Revision US$'000	30 June 2022 Revised balance US$'000
Inventories	55,706	(1,357)	54,349
Total current assets	177,564	(1,357)	176,207
Total assets	**220,320**	**(1,357)**	**218,963**
Net assets/ (liabilities)	**(31,266)**	**(1,357)**	**(32,623)**
Accumulated losses	(452,956)	(1,357)	(454,313)
Total equity	**(31,266)**	**(1,357)**	**(32,623)**

5. REVENUE FROM CONTRACTS WITH CUSTOMERS AND OTHER INCOME

	30 June 2023 US$'000	30 June 2022 US$'000
Revenue from contracts with customers		
Sale of product	175,168	80,832
Sale of service	9,376	4,989
Total revenue from contracts with customers	184,544	85,821
Other income		
Other interest received	147	7
Government grants	-	18
Other income	171	199
Total other income	318	224
Total revenue and other income	184,862	86,045

During the year ended 30 June 2023, a number of customers requested the Group to provide 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 2023 contributed to 23% (2022: 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 over time 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. Details on the reportable segments have been referenced in Note 37, Segment Reporting.

6. COST OF SALES OF GOOD AND SERVICES

	30 June 2023 US$'000	30 June 2022* US$'000
Cost of sales of goods and services	(188,627)	(87,518)

*Amounts have been revised, see Note 4 of the financial statements for the year ended 30 June 2023 for further information.

7. SELLING, GENERAL AND ADMINISTRATION EXPENSE

	30 June 2023 US$'000	30 June 2022 US$'000
Salaries, wages, and other employee benefits	(32,919)	(22,582)
Share-based payments	(8,981)	(28,188)
Professional fees	(10,970)	(5,625)
Insurance	(5,719)	(3,370)
IT and communications	(7,074)	(6,247)
Sales and marketing	(1,129)	(449)
Travel, meals, and accommodation expenses	(1,827)	(1,400)
Occupancy	(1,337)	(93)
Expected credit losses on trade receivables	(5,182)	(61)
Bad debt expenses	-	(73)
Other operating expenses	(1,238)	(58)
Other administration expenses	(887)	(490)
Total selling, general and administration expense	(77,263)	(68,636)

8. PRODUCT DEVELOPMENT EXPENSE

	30 June 2023 US$'000	30 June 2022 US$'000
Salaries, wages and employee benefits	(13,521)	(11,532)
Product development expenses	(1,945)	(2,499)
Less capitalised development expenses	7,499	6,285
Total product development	(7,967)	(7,746)

9. DEPRECIATION AND AMORTISATION EXPENSE

	30 June 2023 US$'000	30 June 2022 US$'000
Depreciation of property, plant and equipment	(1,223)	(1,582)
Amortisation of intangible assets	(4,950)	(6,314)
Depreciation of right of use assets	(1,960)	(2,871)
Total depreciation and amortisation expense	(8,133)	(10,767)

10. FINANCE COSTS

	30 June 2023 US$'000	30 June 2022 US$'000
(a) Finance costs		
Interest on debt and borrowings (Note 22)	(32,729)	(17,108)
Interest on lease liabilities (Note 20)	(795)	(556)
Fair value movements – derivative CIGNA	-	(6,252)
Other finance costs	(2,319)	(994)
Total finance costs	(35,843)	(24,910)
(b) Fair value movement		
Warrant liability	17,826	(3,491)
Embedded derivative	(849)	-
Total fair value movements	16,977	(3,491)

11. TRANSACTION AND OFFERING RELATED FEES

	30 June 2023 US$'000	30 June 2022 US$'000
Professional & advisory fees	-	(17,801)
FBT tax expense	-	(5,683)
Transaction costs capitalised	-	2,386
Total transaction and offering related fees	-	(21,098)

Transaction and offering related fees for the year ended 30 June 2022 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.

12. 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.

12. INCOME TAX EXPENSE CONTINUED

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

	30 June 2023 US$'000	30 June 2022 US$'000
Loss before income tax expense	(120,338)	(297,224)
Tax at the statutory tax rate of 30%	(36,102)	(89,167)
Tax effect amounts which are not deductible/(taxable) in calculating taxable income:		
Foreign tax rate differential	2,610	575
Non-deductible items	(370)	48,732
Current year tax losses and temporary difference not brought to account	35,995	39,840
US State taxes	(2,133)	-
Effective income tax expense	-	(20)

13. CASH AND CASH EQUIVALENTS

	30 June 2023 US$'000	30 June 2022 US$'000
Cash at bank	29,421	70,753
Total cash and cash equivalents	29,421	70,753

Cash and cash equivalents represent cash held with financial institutions. Under the $150 million CIGNA Refinance Loan agreement disclosed in Note 22, the Group is required to maintain a Liquidity Reserve that is no less than $25 million.

14. TRADE AND OTHER RECEIVABLES

	30 June 2023 US$'000	30 June 2022 US$'000
Trade receivables	45,811	28,575
Less: allowance for expected credit losses	(5,473)	(275)
GST/VAT receivables	893	1,150
Other receivables	2,395	1,107
Total and other receivables	43,626	30,557

	Expected credit loss rate		Carrying amount		Allowance for expected credit losses	
	30 June 2023	30 June 2022	30 June 2023	30 June 2022	30 June 2023	30 June 2022
	%	%	US$'000	US$'000	US$'000	US$'000
Less than 30 days past due		-	31,935	16,337		-
30 to 60 days past due		-	2,820	1,674		-
61 to 90 days past due		-	3,713	710		-
Greater than 90 days past due	74.5	2.8	7,343	9,854	(5,473)	(275)
			45,811	28,575	(5,473)	(275)

14. TRADE AND OTHER RECEIVABLES CONTINUED

	2023 US$'000	2022 US$'000
Opening balance of provision – July 1	(275)	(227)
Provision created during the year	(5,195)	(255)
Recoveries during the year	5	171
Foreign currency translation movements	(8)	36
Closing balance of provision – June 30	(5,473)	(275)

Based on the assessment of specific customers where the balance is over 90 days past due, the Group has assessed the specific risk of recovery and taken a provision accordingly. As such, the Group considers the current expected credit loss rate to be appropriate.

15. INVENTORIES

	30 June 2023 US$'000	30 June 2022* US$'000
Raw materials and consumables	103,770	43,980
Work in progress	6,809	4,561
Finished goods	29,275	3,457
Stock in transit	1,105	2,845
Inventory obsolescence provision	(668)	(494)
Total Inventories	140,291	54,349

Inventory has been recorded at the lower of cost or net realisable value. A total of $0.7 million is recognised in inventory obsolescence provisions at 30 June 2023 ($0.5 million as at 30 June 2022).

*Amounts have been revised, see Note 4 of the financial statements for the year ended 30 June 2023 for further information.

16. PREPAYMENTS

	30 June 2023 US$'000	30 June 2022 US$'000
Prepayments	3,745	4,873

Prepaid expenses reflect the monies paid for operating expenses to be expensed over the committed term. The $3.7 million as at 30 June 2023 is primarily related to the prepaid premium for director and officer liability insurance.

17. OTHER FINANCIAL ASSETS

	30 June 2023 US$'000	30 June 2022 US$'000
Current assets		
Term deposits held against bank guarantees	3,601	3,796
Supplier deposits	13,836	11,879
Total other financial assets	17,437	15,675

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.

18. PROPERTY, PLANT AND EQUIPMENT

	30 June 2023 US$'000	30 June 2022 US$'000
Non-current assets		
Leasehold improvements	7,773	3,464
Less: accumulated depreciation	(2,906)	(2,167)
Total leasehold improvements	4,867	1,297
Plant and equipment	13,309	6,515
Less: accumulated depreciation	(3,971)	(2,887)
Total plant and equipment	9,338	3,628
Motor vehicles	330	430
Less: accumulated depreciation	(257)	(251)
Total motor vehicles	73	179
Computer software and equipment	2,300	1,707
Less: accumulated depreciation	(1,863)	(1,693)
Total computer software and equipment	437	14
Construction in progress	847	5,929
Furniture, fixtures and fittings	3,043	616
Less: accumulated depreciation	(772)	(512)
Total furniture, fixtures and fittings	2,271	104
Total property, plant and equipment	17,833	11,151

18. 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 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
Balance at 1 July 2022	3,628	104	179	14	5,929	1,297	11,151
Additions at cost	2,878	1,243	9	621	2,709	2,168	9,628
Disposals	(13)	-	(90)	-	-	-	(103)
Depreciation expense	(1,158)	(270)	(18)	(214)	-	(773)	(2,433)
Transfers	4,326	1,217	1	16	(7,791)	2,230	(1)
Foreign currency translations movements	(323)	(23)	(8)	-	-	(55)	(409)
Balance at 30 June 2023	9,338	2,271	73	437	847	4,867	17,833

Depreciation expense is recorded within cost of goods sold and operating costs in the Consolidated Statements of Profit or Loss and Other Comprehensive Income and amounted to $2.4 million for the year ended 30 June 2023 (2022: $2.2 million).

19. 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 2023 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 2023 US$'000	30 June 2022 US$'000
Development costs	31,180	26,804
Less: accumulated amortisation	(20,934)	(18,751)
Total development costs	10,246	8,053

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

	30 June 2023 US$'000	30 June 2022 US$'000
Balance at 1 July 2022	8,053	8,825
Additions – internally generated	7,372	6,285
Amortisation expense	(4,951)	(6,314)
Foreign currency translations movements	(228)	(743)
Balance at 30 June 2023	10,246	8,053

20. 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 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
Balance at 1 July 2022	7	7	23,538	23,552
Additions at cost	-	-	3,792	3,792
Reductions	-	-	(424)	(424)
Amortisation expense	(7)	(7)	(3,624)	(3,638)
Foreign exchange variation	-	-	150	150
Balance at 30 June 2023	-	-	23,432	23,432

Amortisation expense recorded within cost of goods sold and operating costs in the Consolidated Statements of Profit or Loss and Other Comprehensive Income amounted to $3.6 million for the year ended 30 June 2023 (2022: $2.9 million).

Lease liabilities

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

	2023 US$'000	2022 US$'000
Lease liabilities		
Current lease liabilities	3,297	3,264
Non-current lease liabilities	24,353	24,726
Total lease liabilities	27,650	27,990

20. LEASES CONTINUED

The following are the amounts recognised in profit or loss:

	30 June 2023 US$'000	30 June 2022 US$'000
Amortisation expense of right-of-use asset	(3,638)	(2,871)
Interest expense on lease liabilities	(795)	(556)
Expense relating to short-term leases	(99)	(90)
Expense relating to leases of low-value assets that are not presented as short-term leases	-	(16)
Total amount recognised in profit or loss	(4,532)	(3,533)

The Group had total cash outflows for leases of $4.2 million in 2023 ($2.6 million in 2022).

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).

21. TRADE AND OTHER PAYABLES

	30 June 2023 US$'000	30 June 2022 US$'000
Trade and other payables	58,688	37,427
Accrued expenses	8,409	6,050
Deferred rent liability	(93)	(890)
Sales tax payable	3,868	8,623
Related party payables	85	93
Insurance and other liabilities	1,477	1,769
Deferred fulfilment liabilities	-	432
Commissions	71	586
Total trade and other payables	72,505	54,090

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. Insurance and other liabilities relates to a loan received to fund the D&O insurance liability.

22. BORROWINGS

Current liabilities	30 June 2023 US$'000	30 June 2022 US$'000
Interest-bearing borrowings	126,935	-
Credit card liability	103	74
Related party borrowings	67,601	-
Total borrowings (current)	194,639	74
Non-current liabilities		
Interest-bearing borrowings	-	88,269
Related party borrowings	-	-
Total borrowings (non-current)	-	88,269
Total borrowings	194,639	88,343

Borrowings Rollforward	30 June 2023 $'000	30 June 2022 $'000
Opening Balance – 1 July	88,343	80,332
Drawdowns of facilities	129,848	117,527
Transaction costs paid	(8,178)	(3,888)
Repayment of borrowings	-	(72,407)
Accrued Interest	12,130	12,761
Conversion of convertible notes	-	(42,570)
Derivative and warrant allocation	(29,518)	-
Penalty fee	2,250	-
Credit card borrowings	30	49
Foreign currency translations movements	(266)	(3,461)
Closing Balance – 30 June	194,639	88,343

Current borrowings

Financing arrangements with Sunset Power Pty Ltd as trustee of St Baker Family Trust ("Sunset Power") and O-CORP EV LLC ("O-Corp")

On 5 May 2023, the Group entered into two separate financing agreements with Sunset Power and O-Corp for finance of $35 million and $5 million, respectively. The borrowings attract interest at a coupon rate of 12% p.a. This accrued interest on borrowings is capitalised into the balance of the borrowings and is repayable in full along with repayment of the principal.

The borrowings do not provide a fixed date on which the Group is required to repay these loans. Instead, they require that:

- If within 120 days of the drawdown of the loan, the group is able to undertake a fundraising wherein it raises at least $25 million from third parties (through debt and/or equity instruments) ("Qualifying Fundraising"), then, if all required circumstances (such as pre-agreed returns) are met, Sunset Power is required to participate in such Qualifying Fundraising and rollover the outstanding principal balance. O-Corp, at its sole discretion, may decide not to participate in a Qualifying Fundraising. In such an event, any accrued interest that is not capitalised as part of the principal amount will be paid out in cash.

22. BORROWINGS CONTINUED

- Where a Qualifying Fundraising does not occur within the specified timeframe, or where either of St Baker or O-Corp do not participate in the Qualifying Fundraising, each of St Baker and O-Corp have an option to redeem the outstanding unpaid balance of borrowings (including interest) by either:
  - Subscribing to the Group's ordinary shares. The number of ordinary shares to be issued will be determined based on the outstanding balance of borrowings (including interest), divided by the Variable Weighted Average Price ("VWAP") of the Group's ordinary shares, for 10 days immediately preceding the exercise of such option. Or
  - Subscribing to the Group's Redeemable Preference Shares ("RPS") and Warrants. The RPS, if issued, are proposed to have a fixed term of 5 years, redeemable in cash, carry a coupon rate of 12% p.a. and guarantee a return of 1.8x or a 12% Internal Rate of Return on invested capital, whichever is higher. The number of Warrants to be issued are fixed at 12,807,407 and 1,829,630, respectively for Sunset Power and O-Corp. The Warrants will be exercisable in three tranches, with each Warrant convertible into one ordinary share of the Group, for a fixed price per Warrant. In addition, 75% of the total warrants are subject to a Mandatory Exercise Notice if, based on the 20 day VWAP and assuming the Lenders exercise all of the Total Warrants such that it receives the aggregate amount of ordinary shares, the lender would receive value equivalent to 2.50x multiple of invested capital (MOIC) to the Lenders. Or
  - Where Tritium is in the process of securing financing from a third party for at least $25 million, each of Sunset Power and O-Corp, separately, may opt to subscribe to such funding and roll-over the outstanding balance of borrowings (including interest). This election if completely at the discretion of Sunset Power and O-Corp.
- The respective financing agreements also require the Group to pay an upfront fee of 3.5% of the amount drawn. As at 30 June 2023, the Group has drawn down both facilities in full and paid the associated upfront fees.
- Both financing arrangements are unsecured.

The Group has assessed the financing arrangements to be a 'compound financial instrument', with the following components:

- Financial liability component (recognised within borrowings – Note 22) – representing the Group' potential obligation to settle the loan in cash. Recognised initially at fair value and subsequently at amortised cost.
- An embedded derivative component (recognised separately from borrowings – Note 23) – representing the various conversion options. Recognised initially at fair value with subsequent changes in fair value recognised in the Consolidated Statements of Profit or Loss and Other Comprehensive Income.

At initial recognition, the Group has fair valued the above components and allocated the fair value of the embedded derivative component and transaction costs against the proceeds under the financing arrangements.

Transaction costs allocated to the financial liability component have been recognised at amortised cost, along with the financial liability, while those associated with the embedded derivative have been recognised directly in the Consolidated Statements of Profit or Loss and Other Comprehensive Income, within Finance Costs.

Working capital facility

Sunset Power also provided a $20 million working capital facility ("Working Capital Facility") on 23 December 2022 which was drawn down in full on 30 December 2022. The drawdown was subject to a 2% commitment fee. The Working Capital Facility attracts interest at a coupon rate of 9.5% on 360-day compounding, payable quarterly. Repayment of the Working Capital Facility is linked to the fulfilment of specifically identified customer Purchase Orders – once a customer is invoiced, Tritium will repay the corresponding portion of the facility within a maximum of 14 months after entering the arrangement. During the year ended 30 June 2023, Tritium breached the covenant under the facility agreement to deposit proceeds from specific Purchase Orders towards repayment of the facility. As such, Sunset Power has the ability, at 30 June 2023, to demand immediate repayment of amounts outstanding under this facility. This breach was not cured at 30 June 2023 and as such, this facility has been classified as 'current' at 30 June 2023. Subsequent to 30 June 2023, Sunset Power has waived the default from the date of the Working Capital Facility and Amendment Deed, which provide for a fixed repayment date of April 2024.

Senior Loan Note Subscription Agreement

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 which will be used to fund working capital to accelerate production, further product development, and support operations around the world.

22. BORROWINGS CONTINUED

Senior Loan Note Subscription Agreement CONTINUED

The facility has a 3-year term and 8.5% cash coupon capitalised and paid quarterly 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.

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

The facility has a number of conditions including the following Financial Covenants commencing on 31 March 2024.

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

- TLR of 8.00x for 31 March 2024
- TLR of 5.00x for 30 June 2024
- TLR of 4.00x for 30 September 2024
- TLR of 3.50x for 31 December 2024
- TLR of 2.50x for 31 March 2025 and each compliance date thereafter

Total Interest Cover Ratio (“TIR”) must not be less than the corresponding level specified below in respect of that Compliance Date

- TIR of 1.00x for 31 March 2024
- TIR of 1.50x for 30 June 2024
- TIR of 1.75x for 30 September 2024
- TIR of 2.00x for 31 December 2024
- TIR of 3.00x for 31 March 2025 and each compliance date thereafter

Total Tangible Assets Ratio (TTAR) must be less than 1.5x on each TTAR Compliance Date

The borrowing arrangement also requires the Group to maintain a minimum liquidity balance of $25 million. On 18 November 2022, the Group’s liquidity fell below the minimum required amount which has been notified to the lenders simultaneously with the execution of the Accordion Facility permitted by the senior debt facility agreement (see below), allowing the Group to restore the minimum liquidity balance by 23 November 2022.

As a result of the Group’s ability to restore the minimum liquidity balance and to present expected future inflow of funds and expected timing, the lenders confirmed on 12 December 2022:

- the remediation of this event to their satisfaction, and accordingly no Review Event Notice will be issued;
- to unconditionally waive any event of default which occurred as a result of a breach of a representation, warranty, condition or undertaking made in entering into the Accordion Facility when being under the minimum liquidity balance.

On 16 March 2023, the Group’s liquidity fell below the minimum required amount which was notified to the lenders and managed to restore it by 19 June 2023. As a result of the Group’s ability to restore the minimum liquidity balance and to present expected future inflow of funds and expected timing, the lenders confirmed on 28 June 2023:

- the remediation of this event to their satisfaction, and accordingly no Review Event Notice will be issued.

The facility also contains a ‘cross-default’ provision, wherein, if any financial indebtedness under the working capital facility is not paid when due or within acceptable grace periods or an event of default has occurred under the working capital facility such that the creditor under the working capital facility is entitled to declare financial indebtedness under that facility due and payable prior to its specified maturity, this facility will also be deemed to be in default. As there was a default under the working capital facility that was not cured at 30 June 2023, this facility is also in default at 30 June 2023 and can be called for immediate repayment by the lenders. As such, this facility has been classified as ‘current’ at 30 June 2023. Subsequent to 30 June 2023, the lenders have waived the default as a result of any breach of associated representations and warranties under the intercreditor deed in relation to the Sunset Power Working Capital Facility as included in the section above.

Accordion Facility

The Group entered into a separate loan agreement with Sunset Power on 18 November 2022 (“borrowing”). Finance of $10.0 million was obtained under this borrowing agreement. The borrowing attracts interest at the coupon rate of 8.5%. This accrued interest on the borrowing is capitalised quarterly into the balance of the loan and is repayable in full with the principal at termination date. The borrowing is repayable via cash settlement on the termination date of 18 November 2025. The facility is secured against the present and after-acquired property of Tritium Holdings Pty Ltd and Tritium Pty Ltd. The facility also contains a ‘cross-default’ provision, wherein, if

22. BORROWINGS CONTINUED

any financial indebtedness under the working capital facility is not paid when due or within acceptable grace periods or an event of default has occurred under the working capital facility such that the creditor under the working capital facility is entitled to declare

financial indebtedness under that facility due and payable prior to its specified maturity, this facility will also be deemed to be in default. As there was a default under the working capital facility that was not cured at 30 June 2023, this facility is also in default at 30 June 2023 and can be called for immediate repayment by the lenders. As such, this facility has been classified as 'current' at 30 June 2023. Subsequent to 30 June 2023, the lenders have waived the default as a result of any breach of associated representations and warranties under the intercreditor deed in relation to the Sunset Power Working Capital Facility as included in the section above.

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 $3.7 million and a total of $2.2 million is unused as at 30 June 2023 (2022: $3.3 million).

23. ASSETS AND LIABILITIES AT FAIR VALUE

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.

Private warrants
As part of the initial public offering, the company issued private placement warrants which can be exercised to purchase an equal number of Ordinary Shares. Refer to Note 2(y) for additional information. The fair value of the private warrants is classified as Level 2 within the fair value hierarchy and is based on the indexation of the public warrants price.

Other warrants
As part of the refinancing of the senior debt facility and the Accordion facility, the company issued warrants. The warrants vest in three equal tranches over a period of eighteen months and entitle the holder to purchase one share of the Group's Ordinary Shares for $0.0001 per share. Refer to Note 2(y) for additional information.

The fair value of the other warrants is classified as Level 2 within the fair value hierarchy and is based on a binomial tree valuation, where the value of the security at each discrete step is determined and the present value of the future outcomes, weighted by probability, results in the fair value of the other warrants.

	Tranche 1	Tranche 2	Tranche 3
Valuation date	30 June 2023	30 June 2023	30 June 2023
Vesting date	2 September 2022	2 June 2023	2 March 2024
Expiry date	2 September 2025	2 September 2025	2 September 2025
Share price at the valuation date	$1.09	$1.09	$1.09
Exercise price	$0.0001	$0.0001	$0.0001
Volatility	90%	90%	90%
Risk free interest rate	5.03%	5.03%	5.03%
Dividend yield	0%	0%	0%

Embedded derivatives
As part of the compound financial instrument with Sunset Power and O-Corp, the various conversion options were recognised as an embedded derivative. Refer to Note 22 for additional information.

The fair value of the embedded derivative is classified as Level 2 within the fair value hierarchy and is based on a Monte Carlo simulation for tranches 1 and 2 and Black Scholes option pricing model for tranche 3.

23. ASSETS AND LIABILITIES AT FAIR VALUE CONTINUED

The assumptions used in the valuation were as follows:

	Tranche 1	Tranche 2	Tranche 3
Valuation date	30 June 2023	30 June 2023	30 June 2023
Share price	$1.09	$1.09	$1.09
Exercise price	$1.25	$2.50	$5.00
Expected option terms	5 years	5 years	5 years
Expected volatility	90%	90%	90%
Risk-free rate of return	4.16%	4.16%	4.16%
Expected annual dividend yield	0%	0%	0%

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 2023			
	Level 1	Level 2	Level 3	Total
	$'000	$'000	$'000	$'000
Public warrant liabilities	3,690	-	-	3,690
Private warrant liabilities	-	98	-	98
Other warrant liabilities	-	7,839	-	7,839
Embedded derivatives (Note 22)	-	8,399	-	8,399
Total	3,690	16,336	-	20,026

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

	Public warrants		Private warrants		Other warrants		Total	
	Number of warrants	Amounts	Number of warrants	Amounts	Number of warrants	Amounts	Number of warrants	Amounts
		US$'000		US$'000		US$'000		US$'000
Balance as at 30 June 2022	9,037,130	12,019	241,147	321	-	-	9,278,277	12,340
Warrants issued	-	-	-	-	2,166,229	21,879	2,166,229	21,879
Warrants exercised and equity issued	(10,146)	(18)	-	-	(992,856)	(4,748)	(1,003,002)	(4,766)
Change in fair value	-	(8,311)	-	(223)	-	(9,292)	-	(17,826)
Balance as at 30 June 2023	9,026,984	3,690	241,147	98	1,173,373	7,839	10,441,504	11,627

The movement in fair value in relation to the embedded derivative (Note 22) was $0.8 million.

24. 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 Group does not recognise a separate receivable for limited recourse loans as the LFSP is accounted for as share-based compensation.

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, during the year ended 30 June 2022, 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, during the year ended 30 June 2022;
- On completion of the merger, the treasury shares subject to the limited recourse loan, were converted to the Group's ordinary shares, applying the conversion factor of 1.4716625. No other changes to the terms or requirements to repay the loans were made.

For the year ended June 30, 2023, as the LFSP was fully vested and no share-based payment expense was recognised.

24. SHARE-BASED PAYMENTS CONTINUED

Loan Funded Share Plan (LFSP) CONTINUED

The following table summarises the average weighted life contractually remaining, average weighted fair value and average weighted exercise price of options granted, exercised, cancelled or modified during the year ended June 30 2023, under the LFSP:

	Average Weighted Life Contractually Remaining (Years)	Average Weighted Fair Value USD $	Average Weighted Exercise Price USD $	No. of shares
Balance at 30 June 2022	4.18	0.82	1.75	4,200,371
Options granted	-	-	-	-
Options exercised	2.34	0.66	1.41	(484,683)
Options cancelled	-	-	-	-
Balance at 30 June 2023 (vested and exercisable)	3.44	0.86	1.74	3,715,688

For the year ended 30 June 2023, the LFSP was fully vested and no share-based payment expense was recognised in the consolidated statements of profit or loss and other comprehensive income.

Employee Share Scheme (ESS)

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.

The following table summarises the average weighted life contractually remaining, average weighted fair value and average weighted exercise price of options granted, exercised, cancelled or modified during the year ended 30 June 2023, under the ESS:

	Average Weighted Life Contractually Remaining (Years)	Average Weighted Fair Value USD $	Average Weighted Exercise Price USD $	No. of shares
Balance at 1 July 2022	0.25	6.19	-	1,328,758
Options granted	-	-	-	-
Options exercised	-	6.18	-	(725,199)
Options cancelled	-	6.41	-	(7,332)
Balance at 30 June 2023 (vested and exercisable)	-	6.15	-	596,227

For the year ended 30 June 2023, the Group has recognised $3.5 million of share-based payment expense in the Consolidated Statements of Profit or Loss and Other Comprehensive Income under the ESS (30 June 2022: $0).

LTIP

On 23 June 2022, eligible employees were offered 1.4 million performance rights 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 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. Tritium have determined that these performance rights will be in the nature of "equity-settled share-based payment transactions" as per the requirements of AASB 2 Share-based payment ("AASB 2").

24. SHARE-BASED PAYMENTS CONTINUED

LTIP CONTINUED

The following table summarises the average weighted life contractually remaining, average weighted fair value and average weighted exercise price of options granted, exercised, cancelled or modified during the year ended June 30 2023, under the LTIP:

	Average Weighted Life Contractually Remaining (Years)	Average Weighted Fair Value USD $	Average Weighted Exercise Price USD $	No. of shares
Balance at 1 July 2022	-	-	-	-
Options granted	2.51	2.06	-	979,468
Options exercised	-	5.22	1.71	(148,760)
Options cancelled	-	-	-	-
Balance at 30 June 2023 (vested and exercisable)	1.62	1.54	-	780,708

For the year ended 30 June 2023, the Group has recognised $2.7 million of share-based payment expense in the Consolidated Statements of Profit or Loss and Other Comprehensive Income under the LTIP (30 June 2022: $0).

STIP

Performance rights under the STIP were communicated to a group of employees, executive management and the non-executive directors during the year ended 30 June 2023. The vesting period has commenced and the service commencement date has been determined as the date the performance rights were communicated to the individuals. However, the grant date has been estimated at 30 June 2023 as formal acceptance (as required under the STIP Rules) has not yet been received from the individuals. The estimated weighted average fair value of the rights at grant date is $1.68.

The table below summarises the average weighted life contractually remaining, average weighted fair value and average weighted exercise price of options granted, exercised, cancelled or modified during the year ended 30 June 2023, under the STIP:

	Average Weighted Life Contractually Remaining (Years)	Average Weighted Fair Value USD $	Average Weighted Exercise Price USD $	No. of shares
Balance at 1 July 2022	-	-	-	-
Options granted	-	1.18	-	738,139
Options exercised	-	1.27	1.38	(559,970)
Options cancelled	-	-	-	-
Balance at 30 June 2023 (vested and exercisable)	-	1.08	-	178,169

For the year ended 30 June 2023, the Group has recognised $2.7 million of share-based payment expense in the Consolidated Statements of Profit or Loss and Other Comprehensive Income under the STIP (30 June 2022: $0).

24. SHARE-BASED PAYMENTS CONTINUED

ESPP

Performance rights under the ESPP were communicated to a group of employees during the year ended 30 June 2023. Under this plan, each eligible employee can purchase up to a maximum of 10,000 ordinary shares of the Group (in a twelve-month offering period and a maximum of 5,000 shares within each six-month purchase period therein), at a price equal to 85% of the lesser of the Volume-Weighted Average Price ("VWAP") of an Ordinary Share on the grant date or the exercise date. Participating employees enrol in monthly payroll deductions wherein the Group deducts between 1% to 10% of the employee's compensation each month, subject to a maximum deduction of $25,000 in a calendar year. The plan contains a service condition wherein participating employees are required to be in employment to be eligible under this plan. Tritium have determined that these performance rights will be in the nature of "equity-settled share-based payment transactions" as per the requirements of AASB 2 Share-based payment ("AASB 2").

The table below summarises the average weighted life contractually remaining, average weighted fair value and average weighted exercise price of options granted, exercised, cancelled or modified during the year ended 30 June 2023, under the ESPP:

	Average Weighted Life Contractually Remaining (Years)	Average Weighted Fair Value USD $	Average Weighted Exercise Price USD $	No. of shares
Balance at 1 July 2022	-	-	-	-
Options granted	0.74	0.33	1.00	570,866
Options exercised	-	-	-	-
Options cancelled	-	-	-	-
Balance at 30 June 2023 (vested and exercisable)	0.50	0.33	1.00	570,866

For the year ended 30 June 2023, the Group has recognised $0.07 million of share-based payment expense in the Consolidated Statements of Profit or Loss and Other Comprehensive Income under the ESPP (30 June 2022: $0).

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 2023 and 2022 are as follows:

	Group	
	30 June 2023	30 June 2022
Risk free interest rate	1.56%	1.56%
Expected term	3.44 years	0.5 years
Expected volatility	60%	60%
Dividend yield	0.00%	0.00%
Grant value fair value per share	$0.86	$0.82
Share price	$1.09	$2.60
Aggregate intrinsic value of shares vested and not yet exercised (USD)	862,705	524,983

24. SHARE-BASED PAYMENTS CONTINUED

ESS

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 2023 are as follows:

	30 June 2023	30 June 2022
Risk free interest rate	2.5%	2.68%
Expected term	0	3
Dividend yield	0	0
Grant value fair value per share	$6.15	$6.17
Share price	$1.09	$6.17
Aggregate intrinsic value of shares vested and not yet exercised (USD)	-	-

LTIP

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 2023 are as follows:

	30 June 2023	30 June 2022
Risk free interest rate	4.27%	2.68%
Expected term	1.62	3
Expected volatility	80%	80%
Dividend yield	0	0
Grant value fair value per share	$2.08	$6.17
Share price	$1.09	$6.17
Aggregate intrinsic value of shares vested and not yet exercised (USD)	0	0

STIP

The Group uses the fair value method in recognizing share-based compensation expense. As the award is based on a fixed dollar amount, the fair value of the award is based on the present value of the award.

The weighted average fair value for share options that were outstanding (including issuances in the year) as at 30 June 2023 are as follows:	30 June 2023
Risk free interest rate	3.93%
Expected term	0
Expected volatility	80%
Dividend yield	0
Grant value fair value per share	$1.08
Share price	$1.09
Aggregate intrinsic value of shares vested and not yet exercised (USD)	1,860

24. SHARE-BASED PAYMENTS CONTINUED

ESPP

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 2023 are as follows:	30 June 2023
Risk free interest rate	4.83%
Expected term	0.5
Expected volatility	40%
Dividend yield	0
Grant value fair value per share	$0.33
Share price	$1.09
Aggregate intrinsic value of shares vested and not yet exercised (USD)	435,959

In respect of all of the above the share-based compensation plans:

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.

25. EMPLOYEE BENEFITS

Current liabilities	30 June 2023 US$'000	30 June 2022 US$'000
Annual leave	2,780	2,345
Long service leave	217	308
Total current liabilities	2,997	2,653
Non-current liabilities		
Long service leave	317	217
Total non-current liabilities	317	217
Total employee benefits	3,314	2,870

26. OTHER PROVISIONS

	30 June 2023 US$'000	30 June 2022 US$'000
Current liabilities		
Legal and other provisions	1,231	1,326
Bonus Provision	720	126
Warranties	1,392	1,028
Cash Settled Employee Liabilities	146	152
Total current liabilities	3,489	2,632
Non-current liabilities		
Warranties	2,889	2,652
Total other provisions	6,378	5,284

Provision for warranties	30 June 2023 US$'000	30 June 2022 US$'000
Opening balance of warranties – 1 July	3,978	3,925
Warranty utilised during the year	(4,262)	(3,295)
Provision created during the year	4,730	3,656
Foreign currency translation adjustment	(165)	(308)
Closing balance of provision for warranties – 30 June	4,281	3,978

27. COMMITMENTS AND CONTINGENT LIABILITIES

Legal Proceedings
Any material legal proceedings have been provided for as at 30 June 2023 and 2022.

Contingent liabilities
The Group did not have any contingent liabilities as at 30 June 2023 or 2022.

Contractual Commitments
The Group did not have any commitments as at 30 June 2023 or 2022.

28. CONTRACT LIABILITIES

Current liabilities	30 June 2023 $'000	30 June 2022 $'000
Customer advance deposits	45,482	33,508
Unearned revenue	1,645	4,376
Total current liabilities	47,127	37,884
Non-current liabilities		
Customer advance deposits	-	847
Unearned revenue	5,798	1,384
Total non-current liabilities	5,798	2,231
Total contract liabilities	52,925	40,115

It is expected that the performance obligations recognised as current contract liabilities which are yet to be satisfied for the 30 June 2023 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.

29. ISSUED CAPITAL

	2023 Shares	2022 Shares	30 June 2023 US$'000	30 June 2022 US$'000
Ordinary shares – fully paid	156,320,951	148,893,898	413,632	397,835
Total issued capital	156,320,951	148,893,898	413,632	397,835

Movement in ordinary share capital

Details	2023 Shares	2022 Shares	30 June 2023 US$'000	30 June 2022 US$'000
Balance 1 July	148,893,898	99,915,561	397,835	92,809
Shares issued during the year	7,427,053	48,978,337	15,797	305,026
Total ordinary share capital	156,320,951	148,893,898	413,632	397,835

Movement in Legacy Tritium C Class share capital

Details	2023 Shares	2022 Shares	30 June 2023 US$'000	30 June 2022 US$'000
Balance 1 July	-	8,052,499	-	4,383
Conversion into Tritium DCFC ordinary shares	-	(8,052,499)	-	(4,383)
Total Legacy Tritium C Class share capital	-	-	-	-

On 2 September 2022, the Company entered into an Ordinary Shares Purchase Agreement (the "Purchase Agreement") and a Registration Rights Agreement (the "Registration Rights Agreement") with B. Riley Principal Capital II, LLC ("B. Riley Principal Capital II" or "B. Riley").

Pursuant to the Purchase Agreement, the Company has the right to sell to B. Riley Principal Capital II up to $75 million of its Ordinary Shares, from time to time during the term of the Purchase Agreement. However, the Purchase Agreement prohibits the Company from issuing or selling any Ordinary Shares to B. Riley if such a sale, when aggregated with all other shares of Ordinary Shares then beneficially owned by B. Riley and its affiliates, would result in B. Riley beneficially owning more than 4.99% of the outstanding shares of Ordinary Shares.

Sales of Ordinary Shares pursuant to the Purchase Agreement, and the timing of any sales, are solely at the option of the Group, and the Group is under no obligation to sell any securities to B. Riley Principal Capital II under the Purchase Agreement. This includes an effective registration statement and a final prospectus are filed with the Securities and Exchange Commission (the "SEC") registering the resale by B. Riley of the Ordinary Shares under the Securities Act that may be sold to B. Riley by the Company under the Purchase Agreement.

Actual sales of Ordinary Shares to B. Riley under the Purchase Agreement will depend on a variety of factors to be determined by the Company including, among other things: market conditions, the trading price of the Ordinary Shares, and determinations by the Company as to the appropriate sources of funding for the Company and its operations.

The purchase price of the Ordinary Shares that the Company may sell to B. Riley pursuant to the Purchase Agreement will be 97% of the average of the volume weighted average price of the Company's Ordinary Shares as calculated per the terms set forth in the Purchase Agreement. The net proceeds from sales, if any, under the Purchase Agreement, will depend on the frequency and prices at which the Company sells the Ordinary Shares. To the extent the Company sells the Ordinary Shares under the Purchase Agreement, the Company currently plans to use any proceeds for working capital and general corporate purposes.

The Company incurred costs of $0.8 million, including the issuance of shares, as a consideration to B. Riley for its irrevocable commitment to purchase shares under the Purchase Agreement. These costs were included in other finance costs, net in the Consolidated Statements of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2023. The ordinary shares issued as consideration have been recorded within issued capital.

During the year ended 30 June 2023, the Group exercised its right under the Purchase Agreement and issued 1.6 million of its Ordinary Shares for a total of $1.6 million.

The right to sell ordinary shares under the Purchase Agreement was considered to be a derivative asset with an insignificant fair value at 30 June 2023.

30. RESERVES

	30 June 2023 US$'000	30 June 2022 US$'000
Foreign currency reserve	6,755	4,645
Options reserve	21,882	20,838
Notes reserve	338	338
Warrant fair value reserve	4,861	4,850
Distribution reserve	(6,816)	(6,816)
Total reserves	27,020	23,855

31. TAX ASSETS AND LIABILITIES

Consolidated unrecognised deferred tax assets (tax effected)	30 June 2023 US$'000	30 June 2022 US$'000
Deductible temporary differences and unused tax losses	96,741	62,324
Temporary difference (at 30%)		
Employee entitlements	4,356	1,295
Warranties	1,896	1,571
Intangible assets	(3,118)	(2,416)
Lease liabilities	3,514	7,053
Other	4,787	7,660
Total deferred tax assets	108,176	77,487
Deferred tax liabilities		
Right of use assets	2,251	5,967
Total deferred tax liabilities	2,251	5,967
Valuation allowance applied	(105,925)	(71,520)
Total net deferred tax assets / (tax liabilities)	-	-
Changes in deferred tax balances		
Opening balance – 1 July	71,520	(41,497)
Increase / (decrease) in deferred tax assets and deferred tax liabilities	31,795	(29,447)
Other movements including foreign currency and rate differential	2,610	(576)
Closing balance – 30 June	105,925	(71,520)

The Group has recognised a full valuation allowance for tax losses carried forward as of 30 June 2023 and 2022.

The Group has tax losses that arose in Australia of $283.7 million (2022: $196.6 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. Consequently, a full valuation allowance has been recorded.

The Group files income tax returns in a number of jurisdictions including the United States, the Netherlands and Australia. Income tax returns for all jurisdictions except the Netherlands have been filed for the period ending 30 June 2021. Additionally, the Group has not filed income tax returns for the Netherlands relating to period June 2019 and June 2020, however, does not expect any material amendments, penalties, or interest to be incurred as a result of this late filing for the 30 June 2021, 2020 and 2019 year ends.

32. 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 2023 US$	30 June 2022 US$
Short-term employee benefits	2,464,186	7,490,784
Long-term employee benefits	7,806	52,991
Share-based payments	1,559,976	6,681,831
Total compensation	4,031,968	14,225,606

33. 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 2023 US$'000	12 months to 30 June 2022 US$'000
Statutory Audit and Review services		
Statutory audit and review services – PricewaterhouseCoopers Australia (PwC)	898	880
Other audit and review services		
Other audit and review services – PricewaterhouseCoopers Australia (PwC)	251	431
Total remuneration of auditors	1,149	1,311

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

34. RELATED PARTY TRANSACTIONS

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 2023	Ownership interest 2022	Place of incorporation
Tritium Holdings Pty Ltd*	100%	100%	Australia
Decarbonization Plus Acquisition Corporation II	100%	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

* A party to Deed of Cross Guarantee dated 4 July 2022.

34. RELATED PARTY TRANSACTIONS CONTINUED

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.

The following transactions occurred with related parties:

	Hardware revenue	Accounts receivable	Purchase	Accounts payable	Interest expense	Loan payable
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
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	-	-
Year ended 30 June 2023						
Fast Cities Australia	7,203	237	-	-	-	-
St Baker Energy	-	-	275	85	6,059	58,873
Lordstown Motors	-	-	-	-	-	-
Riverstone	-	-	-	-	1,122	8,728
Total	7,203	237	275	85	7,181	67,601

Transactions with Gilbarco

The purchase transactions entered into with Gilbarco during the year ended 30 June 2022 were in respect of certain service agent fees charged by Gilbarco to the Group. Gilbarco ceased to be the Group’s related party since 29 November 2021 which is the date Gilbarco resigned from the 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. The Group has sold products to Gilbarco during the period at normal trading terms.

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.

34. RELATED PARTY TRANSACTIONS CONTINUED

Loans payable to St Baker Energy

The purchase transactions entered into with St Baker Energy during the year ended 30 June 2022 were in respect of payment towards provision of contract staff to the Group, by St Baker Energy. The terms of the loan arrangements have been disclosed in Note 22.

Loan payable to Riverstone

The terms of the loan arrangements have been disclosed in Note 22.

Transactions with Lordstown Motors

The Group has sold product amounting to $0.03 million to Lordstown Motors during the period at normal trading terms.

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

	30 June 2023 US$'000	30 June 2022 US$'000
Loss after income tax for the year	(120,338)	(298,601)
Adjustment for:		
Depreciation and amortisation	9,344	11,383
Share-based payment expense	8,981	28,188
Financial instruments- derivatives and warrants	(16,977)	9,743
Interest expense	12,130	14,245
Capitalised transaction costs	741	1,422
Foreign exchange (gain)/loss	564	-
Loss on disposal of property, plant and equipment	47	-
Listing expenses	-	156,252
Change in operating assets and liabilities:		
(increase)/decrease in trade and other receivables	(13,069)	(16,474)
(increase)/decrease in other assets	(634)	(12,639)
(increase)/decrease in inventories	(85,942)	(17,919)
increase/(decrease) in trade and other payables	41,251	20,621
increase/(decrease) in employee benefits	444	708
increase/(decrease) in other liabilities	11,055	23,407
Net cash used in operating activities	(152,403)	(79,664)

36. 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 39 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.

	30 June 2023 US$'000	30 June 2022 US$'000
Parent – Comprehensive income		
Profit/(loss) for the period	(645,008)	(677,096)
Total comprehensive income for the period	(645,008)	(677,096)
Parent - Statement of Financial Position		
Total current assets	2,499	53,599
Total non-current assets	170,390	730,675
Total assets	172,889	784,274
Total current liabilities	27,537	26,555
Total non-current liabilities	15,407	-
Total liabilities	42,944	26,555
Equity		
Issued capital	1,437,267	1,420,771
Options reserve	9,226	9,194
Warrant fair value reserve	4,862	4,850
Accumulates losses	(1,321,410)	(677,096)
Total equity	129,945	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 2023 and 30 June 2022.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2023 and 30 June 2022.

Contractual commitments

The parent entity did not have any commitments as at 30 June 2023 and 30 June 2022.

37. SEGMENT INFORMATION

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

	Hardware						
	Stand Alone Chargers	Distributed Chargers	Other	Total Hardware	Service and Maintenance	Software	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Year Ended 30 June 2022*							
Revenue	52,072	26,603	2,157	80,832	4,979	10	85,821
Cost of goods sold	(53,264)	(28,597)	(1,879)	(83,740)	(3,778)	-	(87,518)
Segment gross profit/(loss)	(1,192)	(1,994)	278	(2,908)	1,201	10	(1,697)
Year Ended 30 June 2023							
Revenue	108,927	61,406	4,835	175,168	9,267	109	184,544
Cost of goods sold	(116,320)	(61,782)	(4,884)	(182,986)	(5,641)	-	(188,627)
Segment gross profit/(loss)	(7,393)	376	(49)	(7,818)	3,626	109	(4,083)

* Amounts have been revised, see Note 4 of the Financial Statements for the year ended 30 June 2023 for further information.

The Group assesses the performance and makes operating decisions on the basis of seven existing operating segments, which are aggregated into three reportable hardware segments, one service and maintenance segment and one software segment.

The hardware operating segments meet the qualitative criteria for aggregation in this manner as the operating segments that are aggregated into the stand alone 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. Stand alone charging systems are single units. Distributed charging systems can have multiple user units all connected in the one system.

Other hardware products are managed as a single operating and reportable segment and are monitored by the Group's Chief Operating Decision Making (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.

Service and maintenance revenue relates to commissioning, repair, maintenance, and training and is recognised when the service and/or maintenance has been provided, either over time or at a point in time. Software revenue relates to software services related to licenses and other software modules, such as preventative maintenance and site utilization. The Group does not monitor service and maintenance and software revenue as it is not considered a key part of the current business operations.

The 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.

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, two customers each contribute more than 10% of the Group's total revenue which represents approximately $47.5 million of the total amount (26% of the total revenue), with customer one amounting to $19.2 million in the distributed chargers segment (2022: $13.0 million) and customer two amounting to $28.3 million, with $9.5 million in the distributed chargers segment and $18.8 million in the standalone chargers segment (2022: $0).

37. SEGMENT INFORMATION CONTINUED

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

	Group	
	30 June 2023 $'000	30 June 2022* $'000
Revenue	184,544	85,821
Cost of goods sold	(188,627)	(87,518)
Segment gross (loss)	(4,083)	(1,697)
Selling, general and administration expense	(77,263)	(68,636)
Product development expense	(7,967)	(7,746)
Depreciation and amortisation expense	(8,133)	(10,767)
Foreign currency (gain)/loss	(4,344)	(4,208)
Loss from operations	(101,790)	(93,054)
Segment gross (loss)	(4,083)	(1,697)
Revenue	184,544	85,821
Segment gross margin	(2.2%)	(2%)

Amounts have been revised, refer Note 4 of the Financial Statements for the year ended 30 June 2023 for further information.

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 2023 $'000	30 June 2022 $'000
Australia	31,280	12,735
United States	63,074	33,174
The Netherlands	90,190	39,912
Total revenue	184,544	85,821

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 2023 $'000	30 June 2022 $'000
Australia	28,490	26,112
United States	22,508	15,878
The Netherlands	513	766
Total non-current assets	51,511	42,756

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

38. 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 or 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 has recognised embedded derivative instruments and classifies these as liabilities in the balance sheet at their respective fair values. The Group does not perform hedge accounting. 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 23.

(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 2023 $'000	30 June 2022 $'000
Trade receivables	4,305	4,451
Trade payables	6,865	2,989
Deposits	9,988	8,739
Total	21,158	16,179

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

	30 June 2023 $'000	30 June 2022 $'000
Net foreign exchange (loss)/gain included in other (losses)/gains	(4,344)	(4,208)

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

38. 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 2023 $'000	30 June 2022 $'000	30 June 2023 $'000	30 June 2022 $'000
USD/AUD exchange rate - increase 5%	(200)	(146)	18	4
USD/AUD exchange rate - decrease 5%	221	161	(20)	(5)
USD/EUR exchange rate – increase 5%	(212)	(283)	3	7
USD/EUR exchange rate – decrease 5%	224	317	(4)	(8)
USD/GBP exchange rate – increase 5%	(161)	-	2	
USD/GBP exchange rate – decrease 5%	178	-	(2)	

(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, two customers each contribute more than 10% of the Group's total revenue which represents approximately $47.5 million of the total amount representing 26% of the total revenue, with customer one amounting to $19.2 million in the distributed chargers segment (2022: $13.0 million; 2021: $17.0 million) and customer two amounting to $28.3 million, with $9.5 million in the distributed chargers segment and $18.8 million in the standalone chargers segment (2022: $0; 2021: $0).. 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.

38. 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 2023 and 30 June 2022 has been disclosed in Note 14.

Trade accounts are generally written off as bad debts when they are in dispute and significantly aged where the recoverability is considered unlikely. Balances 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 13) 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 $3.7 million (undrawn $2.2 million), as at 30 June 2023.

(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.

Contractual maturities of financial liabilities	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
As at 30 June 2023						
Non-derivatives						
Trade and other payables*	72,505	-	-	-	72,505	72,505
Borrowings	257,487	-	-	-	257,487	194,639
Lease liabilities	4,070	4,125	13,397	9,583	31,174	27,650
Total non-derivatives	334,062	4,125	13,397	9,583	361,166	294,794

* Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

38. FINANCIAL RISK MANAGEMENT CONTINUED

The public, private ad other warrants outstanding at 30 June 2023 have various settlement features and as such do not attract contractual cashflows. Refer Note 2(z), Note 22 and Note 23 for further details.

Contractual maturities of financial liabilities	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
As at 30 June 2022						
Non-derivatives						
Trade and other payables	54,090	-	-	-	54,090	54,090
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	64,861	10,596	109,733	12,173	197,363	170,423

39. 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.

The Merger was 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 was 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 w 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.

As a result, during the year ended 30 June 2022, the Group recognised listing expense of $156.3 million in the statement of profit or loss and 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. Refer to the financial statements for the year ended 30 June 2022 for additional details.

40. LOSS PER SHARE

The following table presents net loss per share and related information:

	Group	
	30 June 2023 $'000	30 June 2022* $'000
Net (loss) attributable to common shareholders	(120,338)	(298,601)
Weighted average number of shares		
Basic and diluted – ordinary shares	155,401	126,814
Basic and diluted net loss per share	(0.77)	(2.35)

* Amounts have been revised, refer Note 4 of the Financial Statements for the year ended 30 June 2023 for further information.

41. CLOSED GROUP DISCLOSURE

Entities subject to relief

ASIC Corporations (Wholly-owned Companies) Instrument 2016/785 (Instrument) relieves a company of a specified class that is wholly-owned by an Australian company, a disclosing entity which is an Australian body corporate, or a registered foreign holding company, of the necessity to prepare a financial report and directors' report where the requirements of the Instrument have been met. One of these requirements is that the holding entity and the subsidiaries have become parties to a deed of cross guarantee under which each of the entities guarantees the debts of the others.

Entities that are party to a Deed of Cross Guarantee under which each company guarantees the debts of the other are included in Note 34. These companies represent a "closed group" for the purposes of the Instrument 2016/785, issued by the Australian Securities and Investments Commission. By entering into the deed these entities have been relieved from the requirement to prepare a financial report and Directors' report under the Instrument. As these entities entered into the Deed of Cross Guarantee during the year ended 30 June 2023, and standalone financial statements were prepared by these entities for the year ended 30 June 2022, prior year comparatives have not been disclosed.

The Consolidated Statement of Profit or Loss and Other Comprehensive Income and Consolidated Statement of Financial Position of the entities that are members of the closed Group are as follows:

41. CLOSED GROUP DISCLOSURE CONTINUED

	12 months to 30 June 2023 US$'000
Revenue from contracts with customers	95,458
Cost of sales of goods and services	(104,103)
Gross loss	(8,645)
Selling, general and administration expense	(74,974)
Product development expense	5,972
Depreciation and amortisation expense	(5,721)
Foreign currency (gain)/loss	(5,761)
Total operating costs and expenses	(80,484)
Loss from operations	(89,129)
Other income (expense), net:	
Other income	2,281
Other expense	(3,270)
Finance costs	(36,847)
Derivative and warrants – fair value measurement	16,975
Total other expenses	(20,861)
Loss before income tax expense	(109,990)
Income tax expense	-
Loss after income tax expense for the year	(109,990)
Other comprehensive income	
Items that may be reclassified subsequently to profit or loss	-
Exchange differences on translation of foreign operations	2,004
Other comprehensive income/(loss) for the year, net of tax	-
Total comprehensive loss for the year	(111,994)

41. CLOSED GROUP DISCLOSURE CONTINUED

	30 June 2023 US$'000
Assets	
Current assets	
Cash and cash equivalents	17,991
Trade and other receivables	48,137
Inventories	74,868
Prepayments	2,670
Intercompany loan receivables	85,800
Other financial assets	13,182
Total current assets	242,648
Non-current assets	
Property, plant and equipment	9,674
Intangibles	10,246
Right of use assets	8,570
Total non-current assets	28,490
Total assets	**271,138**
Liabilities	
Current liabilities	
Trade and other payables	52,459
Intercompany loan payables	49,022
Borrowings	194,563
Employee benefits	2,281
Other provisions	2,322
Contract liabilities	9,239
Lease liabilities	1,876
Warrant liability	11,627
Financial instruments - derivative	8,399
Total current liabilities	331,788
Non-current liabilities	
Borrowings	-
Employee benefits	317
Other provisions	1,998
Lease liabilities	9,669
Total non-current liabilities	11,984
Total liabilities	**343,772**
Net assets/(l)	(72,634)
Equity	
Issued capital	414,160
Reserves	28,046
Accumulated losses	(514,840)
Total equity	(72,634)

42. EVENTS AFTER THE REPORTING PERIOD

On 21 June 2023, the Company submitted a notification of change of financial year end with the Australian Securities & Investment Commission (ASIC) for Tritium DCFC Limited, Tritium Holdings Pty Ltd, Tritium Nominee Pty Ltd and Tritium Pty Ltd, with effect from the end of the current financial year. The notification was accepted by ASIC on 7 July 2023. Tritium DCFC's next financial year will start on 1 July 2023 and end on 31 December 2023 (being a period of six months). Accordingly, the Company's next annual audited consolidated financial statements will be for the six months ended 31 December 2023.

Pursuant to the Ordinary Shares Purchase Agreement with B. Riley dated 2 September 2022, the company and investor mutually agreed to terminate the agreement on 11 September 2023.

Pursuant to the working capital facility entered into on 23 December 2022, where Sunset Power provided $20.0 million which was drawn down in full on 30 December 2022, the Company obtained a waiver from St Baker in respect of the St Baker Term Loan and consent to the waiver from the Senior Creditors under the intercreditor deed and amendment letter dated 12 September 2023 which included unconditional waivers of any breach of associated representations and warranties under the intercreditor deed in relation to late interest payments, repayments and collections account that occurred prior to the amendment date and removing the requirement to deposit funds into the Collections Account going forward. The final repayment date for any amounts outstanding is now extended to 30 April 2024.

Additionally, pursuant to the Financing arrangements with Sunset Power and O-Corp, the Company obtained a written acknowledgement from St Baker and O-Corp on 12 September 2023 to extend the Qualifying Fundraising Long Stop Date from 12 September 2023 to 3 December 2023. The Company obtained consent from the Senior Creditors under the Senior Loan Note Subscription Agreement to allow St Baker and O-Corp to extend the Qualifying Fundraising Long Stop Date from 12 September 2023 to 3 December 2023. For further information, refer to Note 22 —Borrowings.

On 12 September 2023, the Company entered into the Preference Shares SPA for a $75.0 million facility, which will be funded in multiple closings. The Preference Shares Offering provides for the purchase of up to $75 million in Preference Shares of the Company. Other details include:

- The initial funding of $25 million was provided in escrow on 12 September 2023, and was released from escrow (net of transaction costs) on 22 September 2023 on the filing of the Company's financial statements on Form 20-F and the related prospectus supplement and issuance of the Preference Shares.
- The subsequent fundings are up to $21 million and may occur at the 4-calendar month anniversary of the prior closing.
- The preference shares all have a term that ends on the 19-month anniversary of their issuance at 100% of the face value and are convertible at the lower of 120% of the traded ordinary share price at issuance or 94% of the dollar volume-weighted average price (VWAP) at conversion dates.
- The Company shall make redemption payments that cause the redemption of the commensurate number of then-issued Preference Shares based on the Redemption Value with the first instalment occurring on the 10-day anniversary of the Initial Closing date, or subsequent Closing date as applicable, and each subsequent Instalment occurring every 20 trading days thereafter. Each instalment payment shall be $5.3 million.
- The Company can choose to redeem by way of payment of the Instalment in cash or, subject to equity conditions, substitute a cash Instalment by converting the Preference Shares to ordinary shares of the Company, or a combination thereof.
- The ordinary shares resulting from a conversion in lieu of a cash Instalment would be valued at the Instalment Amount (and would offset the applicable cash Instalment), calculated as the lesser of
    i. the Fixed Conversion Price (being 120% of the issuance date price)
    ii. 94% of the arithmetic average of the three lowest daily VWAPs of the 10 trading days prior to the payment date or
    iii. 94% of the VWAP of the trading day prior to payment date.
    iv. in the event of the share price falling below $0.75 or at least $0.9 million in average daily trading volumes not being achieved, conversion would be at 85% of the trading VWAP.
- The Company may early terminate the financing facility within 20 days' notice, provided the notice is given prior to 20 October 2023.

On 12 September 2023, the holders of the Financing Warrants delivered the required notice pursuant to the Financing Warrant Agreement Amendment of their intent to exchange all outstanding Financing Warrants for Ordinary Shares. Pursuant to the notice, we issued 8,254,527 Ordinary Shares in consideration of the 1,173,372 issued and outstanding Financing Warrants.

Pursuant to the Amendment Deed dated 2 September 2022, the Liquidity Reserve requirement for the existing $150 million senior debt facility from Cigna & Barings is $25 million. On 3 July 2023, the Group's liquidity fell below the minimum required amount and the Group was able to restore it by 12 September 2023 through the receipt of the Preference Shares Offering. As a result of the Group's ability to restore the minimum liquidity balance and to present expected future inflow of funds and expected timing, the lenders confirmed on 13 September 2023 that this event was remediated and accordingly no Review Event Notice will be issued.

On 12 September 2023, an additional waiver was granted to unconditionally waive the liquidity reserve requirement for the senior debt facility from $25 million to nil effective from 21 September 2023 until 31 December 2023.

Statutory Statements

DIRECTORS' DECLARATION

In the directors' opinion:

(a) the financial statements and notes set out on pages 1 to 59 are in accordance with the Corporations Act 2001, including:

   i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements, and

   ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date, and

(b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group identified in note 41 will be able to meet any liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 41.

Note 2 confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Dated this 29th day of September 2023.

For and on behalf of the Board.

Robert Tichio
Director and Chair

Jane.Hunter
Digitally signed by Jane.Hunter
Date: 2023.09.29 18:35:41 +10'00'

Jane Hunter
Chief Executive Officer and Executive Director

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 2023 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 2023
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income 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.

Material uncertainty related to going concern

We draw attention to Note 2 in the financial report, which indicates that the Group incurred a net loss after income tax of $120.3m and incurred cash outflows from operating activities of $151.2m during the year ended 30 June 2023 and, as of that date, the Group had net current liabilities of $152.2m and a net liability position of $134.0m.

As detailed in Note 2, the Group requires the successful conversion of the institutional investor preference shares to ordinary share capital under the terms of the agreement, obtaining additional capital in the short term to fund future operating and financing cash flows as well as any cash redemption requirements that may arise under the institutional investor preference share arrangement, and receiving the ongoing support of its lenders and shareholders.

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 $5.0m, which represents approximately 5% of the Group's weighted average three year loss before tax.	• Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.	• Amongst other relevant topics, we communicated the following key audit matters to the Audit and Risk Committee: – Revenue recognition – Accounting for funding arrangements

- 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.
- We chose Group loss before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. Due to fluctuations in the loss from year to year, we chose a weighted three year average.
- We utilised a 5% threshold based on our professional judgment, noting it is within the range of commonly acceptable thresholds.

- 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 Australia, Europe and the United States of America.

- These are further described in the *Key audit matters* section of our report, except for the 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
Revenue recognition *(Refer to note 5 – Revenue from contracts with customers and other income and note 2(d) Revenue and other income)* The Group's revenue of $184.5m includes the manufacture, sale and services of electric vehicle DC fast chargers under contracts with customers. The recognition of revenue is dependent upon the terms of the underlying contracts with customers and the resulting performance obligations, as well as the transaction price that is allocated to the performance obligations. Judgement is involved in the recognition of revenue due to the relevant shipping terms and bill and hold arrangements with customers that determine when control of the DC fast chargers transfers to the customers. We considered the recognition of revenue to be a key audit matter due to the: ● financial significance of the Group's revenue ● determination of the performance obligations and allocation of the transaction price; and ● judgement made by the Group in determining whether the bill and hold criteria is met during the financial year and at 30 June 2023 and therefore when control transfers to the customers.	We performed the following procedures, amongst others over revenue recognition: ● Developed an understanding of and evaluated the Group's revenue recognition methodology with reference to Australian Accounting Standards. ● Selected a sample of contracts and inspected the relevant contract terms to assess whether the individual characteristics of each contract were appropriately accounted for including identification of performance obligations to the relevant customers and the transaction price that should be allocated to each performance obligation. ● Selected a sample of revenue transactions for the sale of the DC fast chargers and the provision of services to customers and agreed them to supporting documents including customer contracts, purchase orders, end of line testing certificates, invoices, remittance advices and bank statements. ● Selected a sample of customers where revenue was recognised under bill and hold arrangements and obtained external customer confirmations to agree specific contract terms that included: – Purchase order and invoice details – Relevant shipping terms – Payment terms – Timing of the transfer of risk and control to the customer. ● Evaluated whether the disclosures were consistent with the requirements of the Australian Accounting Standards.

Accounting for funding arrangements
(Refer to note 22 - Borrowings)

During the financial year, the Group re-financed their senior loan note subscription agreement (senior loan notes) and entered into additional working capital and other finance agreements with related and external parties.

The arrangements include specific compliance obligations to be adhered to by the Group as described in Note 22, including the requirement for the Group to maintain a minimum cash liquidity level during its term.

As the Group did not always adhere to the compliance obligations of the respective arrangements, the Group has sought and obtained a number of waivers from the financiers both prior to and after 30 June 2023 in relation to these events.

We considered the accounting for funding arrangements to be a key audit matter due to the:

- financial significance of the refinancing of the senior loan note during the financial year
- financial significance of the additional working capital funding obtained during the year from various sources, and the complex terms of the funding agreements
- complexity in accounting for the redemption options included in the agreements
- judgement applied by the Group in the accounting and valuation of associated warrants that have been issued
- judgement applied by the Group in determining the classification of the debt at 30 June 2023 as current or non-current, with respect to the waivers obtained and
- importance of the capital structure for continued growth of the Group.

We performed the following procedures, amongst others, to evaluate the accounting for the Group's funding arrangements:

- Obtained confirmations directly from the Group's financiers to confirm the borrowings balance, tenure and conditions of the respective loan facilities.
- Read the most up-to-date borrowings agreements between the Group and its financiers to develop an understanding of the relevant terms associated with the facilities, the amount of facility available for drawdown, minimum cash liquidity levels and other compliance matters, and the terms and conditions relating to redemption.
- Compared the Group's accounting for borrowing costs from the new and terminated facilities, including warrant allocations, with the requirements of Australian Accounting Standards.
- Evaluated the redemption options included in the finance agreements and the accounting and valuation for recognised embedded derivatives against the requirements of Australian Accounting Standards.
- Considered and evaluated the waivers obtained by the Group from the financiers to assess whether the borrowings were appropriately classified as current or non-current at balance sheet date.
- Evaluated 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 2023, 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 through our opinion on the financial report.

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

PricewaterhouseCoopers

Michael Shewan

Michael Shewan
Partner

Brisbane
29 September 2023