



ABN 28 095 466 961

**Interim Financial Report
for the six months ended 31 December 2020**

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Boom Logistics Limited ("Boom Logistics" or "the Company") and the entities it controlled for the half-year ended 31 December 2020.

Directors

The names of the Company's Directors in office during the half-year and until the date of this report are as below. Directors were in office for this entire period unless otherwise stated.

Mr Maxwell John Findlay	Chairman (independent, non-executive)
Mr Tony Spassopoulos	Managing Director (executive)
Ms Melanie Jayne Allibon	Director (independent, non-executive)
Mr Stephen Anthony Grove	Director (non-independent, non-executive) appointed 6 November 2020
Mr Kieran Pryke	Director (independent, non-executive) appointed 8 February 2021
Mr Terence Alexander Hebiton	Director (independent, non-executive)
Mr. Jean-Pierre Johannes Andreas Maria Buijtsels	Director (non-independent, non-executive) retired 27 November 2020
Mr Terrence Charles Francis	Director (independent, non-executive) retired 27 November 2020

Operating and Financial Review

The Group recorded a net profit after tax for the half year ended 31 December 2020 (1H FY21) of \$0.4 million (1H FY20: loss of \$5.8 million). Statutory earnings before interest expense, depreciation and amortisation (EBITDA) were a profit of \$17.9 million (1H FY20: \$12.0 million). Statutory earnings before interest expense and tax (EBIT) were a profit of \$2.3 million (1H FY20: loss of \$3.5 million). This was a solid result as the group focussed on quality revenue in key markets.

Revenue of \$84.2 million was lower than the previous corresponding period (pcp) (1H FY20: \$94.9 million), due to only one windfarm construction project being completed in the period compared with two projects underway in 1H FY20, project delays being incurred, slower shutdown activity across the mining sector as customers adapted to Covid restrictions and border closures, and associated impacts on labour hire volumes.

Crane Services

The group serves a diverse range of industries with a substantial proportion of business in mining maintenance and shutdowns. Maintenance work across the group's mining maintenance contracts was solid. Shutdown activity was however constrained by Covid-19 restrictions and border closures limiting the amount of people permitted on site.

During the period the Group strengthened its revenue base in Central Queensland by renewing its maintenance contract with Anglo Coal and beginning to generate revenues from new customers in the Moranbah region. Services in New South Wales were bolstered by securing an agreement to service BHP's Mount Arthur Coal with existing contracts successfully continuing at Olympic Dam and in Western Australia.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

The group also renewed its contract with Australian Paper in Victoria.

Boom Projects

The group successfully completed one wind farm construction project during the period. The project was located in Victoria with the group providing assets and specialist wind farm crews to assist the principal contractor to accelerate and complete work on the project. During the period the group also completed a number of wind farm maintenance projects which continues to be an important and growing revenue stream.

A number of infrastructure projects were delayed during the period impacting expected revenue. Notwithstanding these short term delays the infrastructure sector is a source of growth and the group was awarded new contracts supporting the Snowy 2.0 project and Parramatta light rail in New South Wales during the half.

Travel Towers

The travel towers business experienced strong demand for high voltage string-line work, which connects power poles to the broader transmission network; project work at windfarms, and the rollout of 5G infrastructure network upgrades in metropolitan areas.

The business has also achieved an improved return on capital through the sale of 35 small underutilised travel tower assets. The rebalanced fleet with an emphasis on larger assets that support work in the telecommunications and energy sectors, has delivered increased asset utilisation up from 49% in the prior comparative period to 67%.

Balance Sheet

Net debt¹ continued to decrease and was \$14.2 million at 31 December 2020, down from \$19.6 million at 30 June 2020 and \$27.3 million at 31 December 2019.

A new three-year finance facility was agreed and commenced in December 2020. New facilities were agreed on improved flexible terms and conditions and comprise a receivables facility together with asset finance facilities.

The group continued to closely manage its fleet to ensure it remains appropriate to customer requirement. The group has continued to recycle capital and has realised \$4.4 million from the sale of obsolete assets in the period with \$3.2 million invested in new fleet. The group also benefited from continued use of its flexible asset rental model to fund growth. This allows the group to purchase or rent assets suitable to service its evolving pipeline of work, with on-going capital recycling to facilitate high utilisation of cranes and travel towers.

Net assets decreased to \$113.8 million (30 June 2020: \$115.3 million) in the period after recognising the unfranked dividend of 0.5 cents per share that was paid in October 2020.

¹ Net Debt includes interest bearing loans and borrowings plus finance lease liabilities less cash, and excludes operating lease liabilities.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

Cash Flows

Cash flows from operating activities were \$13.5 million (1H FY20: \$15.6 million). Operating cash flows include \$0.9 million of payments made to the Australian Tax Office during the period. In 1H FY20 the Group received an income tax refund of \$4.5m and rather than repay that amount in a single instalment in June 2020 the group successfully negotiated a payment plan with 24 interest free monthly instalments that commenced in August 2020. Instalments paid are available to offset against future taxable profits.

Cash receipts from asset sales of \$4.4 million funded the \$3.2 million expenditure in new capital equipment made in the period.

Dividend

Demand for the group's services remains steady and, with continued strong cash flow, the board has resolved to pay an interim dividend consistent with the pcip. An unfranked interim dividend of 0.5 cents per share will be paid on 16 April 2021 to shareholders on the register at 26 March 2021.

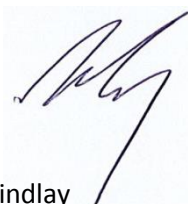
Lead Auditor's Independence Declaration to the Directors

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Rounding

The amounts contained in this report and in the financial report are presented in Australian dollars and have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available under ASIC Corporations Instrument 2016/191. The Group is of a kind to which the Corporations Instrument applies.

Signed in accordance with a resolution of the Directors.



Maxwell Findlay
Chairperson

Melbourne, 24 February 2021



Tony Spassopoulos
Managing Director



Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Boom Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Boom Logistics Limited for the half-year ended 31 December 2020 there have been:

- i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review; and
- ii. no contraventions of any applicable code of professional conduct in relation to the review.

A stylized, handwritten-style signature of the KPMG logo in blue ink.

KPMG

A handwritten signature in blue ink that reads 'Andrew Hounsell'.

Andrew Hounsell
Partner
Melbourne
24 February 2021

Boom Logistics Limited
A.B.N. 28 095 466 961

Consolidated Interim Statement of Comprehensive Income
for the half-year ended
31 December 2020

	Note	2020 \$'000	2019 \$'000
Revenue	2	84,230	94,857
Other income	3(a)	260	66
Salaries and employee benefits expense		(43,474)	(50,368)
Equipment service and supplies expense	3(b)	(17,211)	(24,888)
Operating lease expense		(136)	(430)
Other expenses	3(b)	(5,699)	(6,632)
Restructuring expense		-	(572)
Depreciation expense		(8,040)	(8,132)
Depreciation expense - Right-of-use assets	12	(7,582)	(7,354)
		-----	-----
Profit / (loss) before financing expense and income tax		2,348	(3,453)
Financing expense	10	(1,238)	(1,464)
Financing expense - Lease liabilities	12	(675)	(849)
		-----	-----
Profit / (loss) before income tax		435	(5,766)
Income tax	4	-	-
		-----	-----
Net profit / (loss) attributable to members of Boom Logistics Limited		435	(5,766)
		=====	=====
Other comprehensive income / (loss)			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Cash flow hedges recognised in equity, net of tax		106	(52)
		-----	-----
Other comprehensive income / (loss) for the period, net of tax		106	(52)
		-----	-----
Total comprehensive income / (loss) for the period attributable to members of Boom Logistics Limited		541	(5,818)
		=====	=====
Basic earnings / (losses) per share (cents per share)	5	0.10	(1.30)
Diluted earnings / (losses) per share (cents per share)	5	0.10	(1.30)

The accompanying notes form an integral part of the Consolidated Interim Statement of Comprehensive Income.

Boom Logistics Limited
A.B.N. 28 095 466 961

Consolidated Interim Statement of Financial Position
as at 31 December 2020

	Note	31 December 2020 \$'000	30 June 2020 \$'000
CURRENT ASSETS			
Cash and cash equivalents		4,723	2,131
Trade receivables, contract assets and other receivables		34,540	34,552
Inventories, prepayments and other current assets		4,324	3,486
Assets classified as held for sale		-	3,136
Lease receivables	12	1,035	1,176
		-----	-----
TOTAL CURRENT ASSETS		44,622	44,481
		-----	-----
NON-CURRENT ASSETS			
Property, plant and equipment	7	119,661	124,196
Right-of-use assets	12	20,711	22,788
Lease receivables	12	-	437
Deferred tax asset		21	67
		-----	-----
TOTAL NON-CURRENT ASSETS		140,393	147,488
		-----	-----
TOTAL ASSETS		185,015	191,969
		=====	=====
CURRENT LIABILITIES			
Trade and other payables		13,053	11,952
Interest bearing loans and borrowings	10	13,330	4,309
Lease liabilities	12	12,802	11,592
Employee provisions		9,223	8,461
Other provisions and liabilities	9	5,484	7,526
Derivative financial instruments		156	184
Income tax payable	4	2,224	4,447
		-----	-----
TOTAL CURRENT LIABILITIES		56,272	48,471
		-----	-----
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	10	2,227	14,166
Lease liabilities	12	7,947	11,531
Employee provisions		589	395
Other provisions and liabilities	9	2,872	2,083
Derivative financial instruments		19	49
Income tax payable	4	1,297	-
		-----	-----
TOTAL NON-CURRENT LIABILITIES		14,951	28,224
		-----	-----
TOTAL LIABILITIES		71,223	76,695
		=====	=====
NET ASSETS		113,792	115,274
		=====	=====
EQUITY			
Contributed equity	11	310,327	310,327
Retained losses		(199,264)	(197,560)
Reserves		2,729	2,507
		-----	-----
TOTAL EQUITY		113,792	115,274
		=====	=====

The accompanying notes form an integral part of the Consolidated Interim Statement of Financial Position.

Boom Logistics Limited
A.B.N. 28 095 466 961

Consolidated Interim Statement of Cash Flows
for the half-year ended
31 December 2020

	Note	2020 \$'000	2019 \$'000
Cash flows from operating activities			
Receipts from customers		94,973	106,684
Payments to suppliers and employees		(78,813)	(93,318)
Interest paid		(1,111)	(1,412)
Interest paid - Lease liabilities		(675)	(849)
Interest received		42	58
Income tax (paid) / received		(926)	4,450
		-----	-----
Net cash provided by operating activities		13,490	15,613
		-----	-----
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,201)	(1,439)
Proceeds from the sale of property, plant and equipment		4,373	2,880
		-----	-----
Net cash provided by investing activities		1,172	1,441
		-----	-----
Cash flows from financing activities			
Proceeds from borrowings		11,821	-
Repayment of borrowings		(14,332)	(8,510)
Repayment of lease liabilities	12	(7,698)	(6,716)
Receipts from finance leases as lessor	12	578	416
Payment of transaction costs related to share buy-back and borrowings		(300)	(6)
Payment of dividends		(2,139)	-
Payments for shares bought back		-	(1,726)
		-----	-----
Net cash used in financing activities		(12,070)	(16,542)
		-----	-----
Net increase in cash and cash equivalents		2,592	512
Cash and cash equivalents at the beginning of the period		2,131	1,450
		-----	-----
Cash and cash equivalents at the end of the period		4,723	1,962
		=====	=====

The accompanying notes form an integral part of the Consolidated Interim Statement of Cash Flows.

Boom Logistics Limited
A.B.N. 28 095 466 961

Consolidated Interim Statement of Changes in Equity
for the half-year ended
31 December 2020

	Note	Contributed Equity \$'000	Retained Losses \$'000	Cash Flow Hedge Reserve \$'000	Employee Equity Benefits Reserve \$'000	Total Equity \$'000
At 1 July 2019		312,057	(180,601)	(77)	2,493	133,872
		=====	=====	=====	=====	=====
Loss for the half-year		-	(5,766)	-	-	(5,766)
Other comprehensive loss		-	-	(52)	-	(52)
		-----	-----	-----	-----	-----
Total comprehensive loss		-	(5,766)	(52)	-	(5,818)
Transactions with owners in their capacity as owners:						
Cost of share based payments		-	-	-	(13)	(13)
Share buy-back net of transaction costs and tax		(1,730)	-	-	-	(1,730)
		-----	-----	-----	-----	-----
At 31 December 2019		310,327	(186,367)	(129)	2,480	126,311
		=====	=====	=====	=====	=====
At 1 July 2020		310,327	(197,560)	(163)	2,670	115,274
		=====	=====	=====	=====	=====
Profit for the half-year		-	435	-	-	435
Other comprehensive income		-	-	106	-	106
		-----	-----	-----	-----	-----
Total comprehensive income		-	435	106	-	541
Transactions with owners in their capacity as owners:						
Cost of share based payments		-	-	-	116	116
Dividends provided for or paid		-	(2,139)	-	-	(2,139)
		-----	-----	-----	-----	-----
At 31 December 2020		310,327	(199,264)	(57)	2,786	113,792
		=====	=====	=====	=====	=====

The accompanying notes form an integral part of the Consolidated Interim Statement of Changes in Equity.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

About This Report

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2020 was authorised for issue in accordance with a resolution of the Board of Directors on 24 February 2021.

Boom Logistics Limited is a company domiciled in Australia and limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

The Group is a for-profit entity and the nature of its operations and principal activities are described in note 1.

This general purpose condensed financial report for the half-year ended 31 December 2020 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual financial report as at and for the year ended 30 June 2020.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2020 and considered together with any public announcements made by Boom Logistics Limited during the half-year ended 31 December 2020 in accordance with the continuous disclosure obligations of the ASX listing rules.

The half-year financial report has been prepared in accordance with the historical cost convention rounded to the nearest thousand dollars (\$'000) in accordance with ASIC Corporations Instrument 2016/191. The half-year financial report is presented in Australian dollars which is the Company's functional currency.

Boom's Directors have included information in this report that they deem to be material and relevant to the understanding of the financial report. Disclosure may be considered material and relevant if the dollar amount is significant due to size or nature, or the information is important to understand the:

- Group's current period results;
- impact of significant changes in Boom's business; or
- aspects of the Group's operations that are important to future performance.

Disclosure of information that is not material may undermine the usefulness of the half-year financial report by obscuring important information.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section A: Financial Performance

This section provides the information that is most relevant to understanding the financial performance of the Group during the period.

1. Segment Reporting

Description of operating segments

Management has determined the operating segments based on the reports reviewed by the Chief Operating Decision Maker ("CODM") to make decisions about resource allocation and to assess performance. The CODM who is responsible for allocating resources and assessing performance of the operating segments is the Managing Director and CEO.

The business is considered from a product perspective and has two reportable segments:

- "Lifting Solutions", which consists of all lifting activities including the provision of cranes, travel towers, access equipment and all associated services; and
- "Labour Hire", which includes the provision of skilled labour with a wide range of trades, such as, electricians, boiler makers, mechanics, plus the traditional crane and travel tower operators, riggers, truck drivers.

The segment information provided to the CODM is measured in a manner consistent with that of the financial statements.

All inter-segment sales are carried out at arm's length prices.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section A: Financial Performance (continued)

1. Segment Reporting (continued)

Segment information

	Lifting Solutions \$'000	Labour Services \$'000	Other * \$'000	Elimination \$'000	Consolidated \$'000
<i>Half-year ended: 31 December 2020</i>					
Segment revenue					
Total external revenue	83,697	533	-	-	84,230
Inter-segment revenue	-	7,930	-	(7,930)	-
	-----	-----	-----	-----	-----
Total segment revenue	83,697	8,463	-	(7,930)	84,230
Other income					260

Total revenue and other income					84,490
					=====
Segment result					
Operating result	19,490	910	(2,690)	-	17,710
Net profit on disposal of property, plant and equipment	218	-	-	-	218
Depreciation expense	(15,202)	(26)	(394)	-	(15,622)
	-----	-----	-----	-----	-----
Profit before net interest and tax	4,506	884	(3,084)	-	2,306
	-----	-----	-----	-----	-----
Net interest	(1,856)	(3)	(12)	-	(1,871)
Income tax					-

Profit from continuing operations					435
					=====
Segment assets and liabilities					
Segment assets	179,792	1,417	5,979	(2,173)	185,015
Segment liabilities	63,534	768	6,921	-	71,223
	-----	-----	-----	-----	-----
Additions to non-current assets	3,201	-	-	-	3,201

* Other represents centralised costs including national office and shared services.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section A: Financial Performance (continued)

1. Segment Reporting (continued)

Segment information (continued)

	Lifting Solutions \$'000	Labour Services \$'000	Other * \$'000	Elimination \$'000	Consolidated \$'000
<i>Half-year ended: 31 December 2019</i>					
Segment revenue					
Total external revenue	94,081	776	-	-	94,857
Inter-segment revenue	-	12,743	-	(12,743)	-
	-----	-----	-----	-----	-----
Total segment revenue	94,081	13,519	-	(12,743)	94,857
Other income					66

Total revenue and other income					94,923
					=====
Segment result					
Operating result	14,833	615	(2,909)	-	12,539
Net profit on disposal of property, plant and equipment	8	-	-	-	8
Depreciation expense	(15,009)	(20)	(457)	-	(15,486)
Restructuring expense	(159)	(2)	(411)	-	(572)
	-----	-----	-----	-----	-----
Loss before net interest and tax	(327)	593	(3,777)	-	(3,511)
	-----	-----	-----	-----	-----
Net interest	(2,230)	(3)	(22)	-	(2,255)
Income tax					-

Loss from continuing operations					(5,766)
					=====
<i>Year ended: 30 June 2020</i>					
Segment assets and liabilities					
Segment assets	187,737	2,157	3,715	(1,640)	191,969
Segment liabilities	71,389	1,003	4,303	-	76,695
	-----	-----	-----	-----	-----
Additions to non-current assets	1,390	90	67	-	1,547

* Other represents centralised costs including national office and shared services.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section A: Financial Performance (continued)

2. Revenue from Contracts with Customers

Disaggregation of revenue from contracts with customers

Boom Logistics Limited is domiciled in Australia and all core revenue is derived from customers within Australia. The Group derives revenue from the transfer of services over time in the following industry segments:

<i>Industry segment</i>	<i>Note</i>	<i>Lifting Solutions \$'000</i>	<i>Labour Services \$'000</i>	<i>Consolidated \$'000</i>
<i>Half-year ended 31 December 2020</i>				
Mining & resources	(i)	39,081	-	39,081
Wind, energy, & utilities		22,143	147	22,290
Infrastructure & construction		8,919	68	8,987
Industrial maintenance		8,034	99	8,133
Telecommunications		5,295	-	5,295
Other		226	218	444
		-----	-----	-----
Total revenue from contracts with customers		83,698	532	84,230
		=====	=====	=====
<i>Timing of revenue recognition</i>				
Services transferred over time		83,698	532	84,230
		=====	=====	=====
<i>Half-year ended 31 December 2019</i>				
Mining & resources	(i)	43,514	38	43,552
Wind, energy, & utilities		23,789	-	23,789
Infrastructure & construction		10,135	162	10,297
Industrial maintenance		9,281	576	9,857
Telecommunications		6,232	-	6,232
Other		1,130	-	1,130
		-----	-----	-----
Total revenue from contracts with customers		94,081	776	94,857
		=====	=====	=====
<i>Timing of revenue recognition</i>				
Services transferred over time		94,081	776	94,857
		=====	=====	=====

- (i) Under AASB 15, the Group has assessed that the rendering of services under certain contracts contained embedded lease arrangements. As the lessor, these arrangements are accounted for as operating leases and totalled \$0.667 million (31 December 2019: \$0.667 million).

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section A: Financial Performance (continued)

2. Revenue from Contracts with Customers (continued)

Contract balances

	Note	31 December 2020 \$'000	30 June 2020 \$'000
Trade and other receivables		29,443	31,944
Contract assets	(ii)	5,097	2,608
Total trade receivables, contract assets and other receivables		34,540	34,552

(ii) Contract assets relate to the Group's right to consideration for work completed but not billed at the reporting date. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Group issues the invoices to the customers.

Recognition and measurement

Revenue from the hire of lifting/access equipment, labour and other services provided is recognised where the right to be compensated for the services can be reliably measured. This typically occurs when the job dockets or timecards are approved by the customers. If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis.

Revenue from the installation of wind towers is recognised by using either the equipment hire and labour rate models (schedule of rates) or the stage of completion of the contract, as specified in the contracts. The stage of completion is measured by reference to work completed on each stage of a wind tower unit calculated as a percentage of the total wind towers included under the contract.

The total consideration in the services above is allocated based on their standalone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the services in separate transactions. The fair value and the stand-alone selling prices of both types of services are considered broadly similar.

Key estimate and judgement

Determining the stage of completion requires an estimate of the wind tower units completed to date as a percentage of the total wind tower units under the contract. Where variations and claims are made to the contract, assumptions are made regarding the probability that the customer will approve the variations and claims and the amount of revenue that will arise. Changes in these estimation methods could have a material impact on the financial statements.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section A: Financial Performance (continued)

	2020 \$'000	2019 \$'000
3. Other Income And Expenses		
(a) Other income		
Profit on disposal of plant and equipment	223	58
Loss on disposal of plant and equipment - Right-of-use assets	(5)	(50)
Interest income	4	4
Interest income - Lease receivables	38	54
	-----	-----
Total other income	260	66
	=====	=====
(b) Expenses		
External equipment hire	3,936	5,349
External labour hire	1,251	2,925
Maintenance	4,412	4,244
Fuel	1,050	2,034
External transport	2,694	3,145
Employee travel and housing	936	834
Other reimbursable costs (on-charged to customers)	926	1,369
Other equipment services and supplies	2,006	4,988
	-----	-----
Total equipment services and supplies expense	17,211	24,888
	=====	=====
Employee related	906	1,667
Insurance and compliance	1,675	1,636
IT and communications	1,340	1,442
Occupancy	502	622
Other overheads	1,276	1,265
	-----	-----
Total other expense	5,699	6,632
	=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section A: Financial Performance (continued)

	2020 \$'000	2019 \$'000
4. Income Tax		
A reconciliation between tax benefit and the accounting profit / (loss) before income tax is as follows:		
Accounting profit / (loss) before tax from continuing operations	435	(5,766)
At the Group's statutory income tax rate of 30% (2018: 30%)	131	(1,730)
Expenditure not allowable for income tax purposes	26	28
Current year losses for which no deferred tax asset is recognised	-	702
Previously unrecognised tax credits now recouped to reduce current tax expense	(157)	-
Derecognition of tax losses recognised in previous years	-	1,000
	-----	-----
Income tax benefit	-	-
	=====	=====

Income tax payable

Income tax payable represents the remaining franking deficit tax that is being paid in twenty four interest free equal monthly instalments from August 2020 to July 2022. As at 31 December 2020, of the \$0.926 million of income tax instalments paid to date, \$0.569 million was utilised to offset the income tax payable arising from the half-year results.

Tax losses

As at 31 December 2020, the Group has total tax losses of \$31.165 million tax effected (30 June 2020: \$31.101 million tax effected). \$3.924 million of these losses have been recognised on balance sheet and \$27.241 million has not been recognised as a deferred tax asset based on an assessment of the probability that sufficient taxable profit will be available to allow the tax losses to be utilised in the near future. The unused tax losses remain available indefinitely and are in addition to the franking deficit tax payments that can also be used to offset future tax payable.

Key estimate and judgement

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses, and the losses continue to be available having regard to their nature and timing of origination. 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. Utilisation of tax losses also depends on the ability of the Group to satisfy certain tests at the time the losses are recouped.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section A: Financial Performance (continued)

5. Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The following reflects the income and share data used in the calculation of basic and diluted earnings per share:

	Note	2020 \$'000	2019 \$'000
Net profit / (loss) after tax		435	(5,766)
		No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share		427,774,207	443,540,931
<i>Effect of dilutive securities:</i>			
- employee share awards	(i)	259,252	-
		-----	-----
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		428,033,459	443,540,931
		=====	=====
Number of ordinary shares at half-year end		427,774,207	427,774,207
		=====	=====

(i) Dilutive securities are options granted to employees under the long term incentive plan and included in the calculation of diluted earnings per share assuming all vesting conditions are met.

6. Dividends

The Company paid an unfranked interim dividend of 0.5 cents per share on 2 October 2020 totalling \$2.139 million.

Dividends proposed and not recognised as a liability

The Board have resolved to pay an unfranked interim dividend of 0.5 cents per share on 16 April 2021 to shareholders on the register at 26 March 2021. The estimated liability based on the number of ordinary shares at the half-year is \$2.139 million.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section B: Operating Assets and Liabilities

This section provides information relating to the key operating assets used and liabilities incurred to support delivery of the financial performance of the Group.

7. Property, Plant and Equipment

	Rental Equipment \$'000	Motor Vehicles \$'000	Machinery, Furniture, Fittings & Equipment \$'000	Freehold Land & Buildings \$'000	Total \$'000
<i>Half-year ended 31 December 2020</i>					
Carrying amount at beginning net of accumulated depreciation and impairment	119,031	2,648	955	1,562	124,196
Additions	3,190	7	4	-	3,201
Disposals	(383)	(26)	(4)	-	(413)
Transfers	715	1	1	-	717
Depreciation charge for the period	(7,267)	(359)	(354)	(60)	(8,040)
	-----	-----	-----	-----	-----
Carrying amount at end net of accumulated depreciation and impairment	115,286	2,271	602	1,502	119,661
	=====	=====	=====	=====	=====
<i>Closing balance at 31 December 2020</i>					
At cost	286,735	19,306	6,198	3,120	315,359
Accumulated depreciation	(171,449)	(17,035)	(5,596)	(1,618)	(195,698)
	-----	-----	-----	-----	-----
Net carrying amount	115,286	2,271	602	1,502	119,661
	=====	=====	=====	=====	=====

Key estimate and judgement

Property, plant and equipment

The Group determines the estimated useful lives of assets and related depreciation charges for its property, plant and equipment based on projected capital equipment lifecycles for periods up to twenty years based on useful life assumptions.

Residual values are determined based on the value the Group would derive upon ultimate disposal of the individual piece of property, plant and equipment at the end of its useful life. The achievement of these residual values is dependent upon the second hand equipment market at any given point in the economic cycle. Management will increase the depreciation charge where useful lives are less than previously estimated lives or there is indication that residual values can not be achieved.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section B: Operating Assets and Liabilities (continued)

8. Impairment Testing of Assets

Key estimate and judgement

The carrying values of the CGU's fixed assets were tested at 31 December 2020 by reference to management's assessment of their fair value less costs of disposal. Fair value was determined after considering information from a variety of sources including a valuation obtained from an independent valuer dated 22 December 2020. The Group did not make any allowance for costs to sell as they were deemed immaterial given the Group's in house expertise and track record of successful asset sales. The Group has classified the assessment as Level 2 in the fair value hierarchy (as per AASB 13) where "inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly".

The independent valuation supported the carrying value of the CGU's fixed assets as stated in the consolidated interim statement of financial position. The evaluation is consistent with the Group's assessment of the economic environment, lengthening lead times for new equipment and second hand asset values. Consequently, no impairment adjustment to the carrying value of fixed assets was considered necessary at 31 December 2020.

9. Other Provisions and Liabilities

Other provisions and liabilities include accruals for PAYG, GST, wages, superannuation and payroll tax. The balance also includes provision for make good costs on leases of \$2.982 million (30 June 2020: \$2.824 million) which principally relates to shipment costs of returning leased equipment, including onshore transportation costs. The balance also includes a provision for losses likely to be incurred on onerous contracts of \$1.157 million.

Recognition and measurement

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises and impairment losses on the assets associated with that contract.

Key estimate and judgement

Measurement of an onerous contract involves the use of significant estimates of future costs to be incurred in completing the contract. These estimates can be impacted by unforeseen events such as adverse weather or project scope changes.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section C: Funding Structures

This section provides information relating to the Group's funding structure and its exposure to financial risk, how they affect the Group's financial position and performance and how the risks are managed.

	Note	31 December 2020 \$'000	30 June 2020 \$'000
10. Interest bearing loans and borrowings			
<i>Current</i>			
Other loans	(i)	13,330	4,309
		-----	-----
Total current interest bearing liabilities		13,330	4,309
		=====	=====
<i>Non current</i>			
Other loans		2,705	9,238
Secured bank loans		-	5,000
Prepaid borrowing costs		(478)	(72)
		-----	-----
Total non-current interest bearing liabilities		2,227	14,166
		-----	-----
Total interest bearing liabilities		15,557	18,475
		=====	=====

(i) The receivables finance facility has a committed facility limit to December 2023. The drawings made under the committed facility limit are however revolving in nature and accordingly, the debt of \$9.135 million outstanding under the facility at period end has been disclosed as a current liability. Amounts outstanding under the facility are not required to be repaid until December 2023 at the end of the facility term.

Debt facility refinancing

The Group completed the refinance and consolidation of its syndicated bank and receivables finance facilities into a new agreement with a single financier. The new facilities were executed on 23 December 2020 for a term of 3 years and comprise of the following:

- Receivables finance facility with a credit limit of \$56 million (subject to the availability of a percentage of eligible trade receivables). The facility incurs a fixed fee and floating interest on funds drawn; and
- Asset finance facility with a credit limit of \$22 million. The facility incurs a fixed interest rate on funds drawn.

The existing \$35 million asset finance facility comprising finance and operating leases was left in place. Expiry dates of loans under this facility vary from July 2022 (extended from previous expiry of August 2021) to May 2024.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section C: Funding Structures (continued)

10. Interest Bearing Loans and Borrowings (continued)

Terms and debt repayment schedule

	Currency	Weighted average interest rate	Year of maturity	31 December 2020 \$'000 Carrying amount	30 June 2020 \$'000
Syndicated debt	AUD	n/a	n/a	-	5,000
Trade receivables loan	AUD	8.40%	December 2023	9,135	4,147
Finance arrangement	AUD	5.98%	July 2022	6,900	9,400
Prepaid borrowing costs				(478)	(72)
Total interest bearing liabilities				15,557	18,475
				2020 \$'000	2019 \$'000
<i>Financing expense</i>					
Interest expense				672	1,016
Borrowing costs - amortisation (non-cash)				172	52
Borrowing costs - other				394	396
Total financing expense				1,238	1,464

Covenant position

The Group was in compliance with all financial and non-financial banking covenants as at 31 December 2020. The new facilities that commenced in December 2020 are not subject to any financial covenants.

11. Contributed Equity

	31 December 2020 \$'000	30 June 2020 \$'000
Issued and fully paid ordinary shares	310,327	310,327
	31 December 2020 No. of shares	\$'000
<i>Movements in ordinary shares on issue</i>		
Beginning and end of the half-year	427,774,207	310,327

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section D: Other Disclosures

This section provides additional financial information that is required by the Australian Accounting Standards and management considers relevant for shareholders.

12. Leases

Group as a lessee

The Group has commercial leases on certain plant and equipment, motor vehicles and property. These lease contracts have typically fixed terms of 1 to 5 years but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions.

The impact of leases on the financial statements for the period is as follows:

	2020 \$'000	2019 \$'000
<i>Statement of Comprehensive Income</i>		
Depreciation expense of right-of-use assets	(7,582)	(7,354)
Interest expense on lease liabilities	(675)	(849)
Interest income on sublease of right-of-use assets	38	54
Losses on termination of leases	(5)	(50)
Rent expense - short-term leases and leases of low value assets	(136)	(430)
	-----	-----
Total amounts recognised in profit or loss	(8,360)	(8,629)
	=====	=====
<i>Statement of Cash Flows</i>		
Net cash flows from operating activities	7,120	6,300
Net cash flows from financing activities	(7,120)	(6,300)
	=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section D: Other Disclosures (continued)

12. Leases (continued)

Statement of Financial Position

	Right-of-use Assets						
Note	Rental Equipment \$'000	Motor Vehicles \$'000	Other Equipment \$'000	Land & Buildings \$'000	Total \$'000	Lease Receivables \$'000	Lease Liabilities \$'000
<i>Half-year ended 31 December 2020</i>							
Opening carrying amount	10,436	5,637	70	6,645	22,788	1,613	23,123
Additions	4,503	527	-	543	5,573	-	5,389
Terminations	-	(25)	(5)	(38)	(68)	-	(65)
Depreciation expense	(3,938)	(1,271)	(26)	(2,347)	(7,582)	-	-
Receipts / payments	-	-	-	-	-	(578)	(7,698)
Closing carrying amount	11,001	4,868	39	4,803	20,711	1,035	20,749

Recognition and measurement

Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use. The right-of-use asset is depreciated over the lease term on a straight-line basis. The lease payment is allocated between the lease liability and interest expense. The interest expense is charged to profit or loss over the lease term.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section D: Other Disclosures (continued)

12. Leases (continued)

Recognition and measurement (continued)

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability;
- any initial direct costs; and
- restoration costs.

Lease liabilities are measured at the present value of lease payments to be made over the lease term discounted using the interest rate implicit in the lease. If that rate cannot be determined, the Group's incremental borrowing rate is used, being the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. The present value of lease payments include:

- fixed payments;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable under residual value guarantees;
- the exercise price of a purchase option if reasonably certain to exercise the option; and
- payments of penalties for terminating the lease.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section D: Other Disclosures (continued)

13. Share-based Payments

The terms and conditions of the executive remuneration plans remain the same as at 30 June 2020. Movements in the executive remuneration plans during the period are as follow:

	Salary Sacrifice Rights Plan		Short Term Incentive Plan		Long Term Incentive Plan	
	Average fair value per right	No. of rights	Average fair value per right	No. of rights	Average exercise price per option	No. of options
At start of period	\$0.1434	1,827,639	\$0.1827	2,302,798	\$0.1522	26,214,991
Granted during the period	\$0.0979	786,117	\$0.1001	1,141,493	\$0.1586	18,463,135
Exercised during the period	-	-	\$0.1331	(832,431)	-	-
At end of period	\$0.1298	2,613,756	\$0.1625	2,611,860	\$0.1548	44,678,126

Options granted during the period have the following details and assumptions:

	31 December 2020
Grant date	4 December 2020
Vesting date	31 August 2023
Expiry date	30 September 2023
Share price at grant date	\$0.155
Fair value at grant date	\$0.040
Exercise price	\$0.1586
Expected life	2.8 years
Expected price volatility of Boom's shares	47%
Risk-free interest rate	0.12%
Expected dividend yield	3.20%

	31 December 2020 \$'000	30 June 2020 \$'000
<i>Carrying values</i>		
Salary Sacrifice Rights Plan	830	753
Short Term Incentive Plan	856	798
Long Term Incentive Plan	1,100	1,119
	-----	-----
Total employee equity benefits reserve	2,786	2,670
	=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2020

Section D: Other Disclosures (continued)

	2020 \$'000
14. Commitments	
(a) Capital commitments	
Capital expenditure contracted for at reporting date but not recognised in the financial statements are as follows:	
<i>Property, plant and equipment</i>	
- within one year	11,790
	=====

The assets will be delivered progressively over the next 12 months.

15. Contingencies

Contingent liabilities

Performance guarantees totalling \$0.736 million have been provided in relation to wind farm construction projects which will expire by 1 May 2022. In addition, other bank guarantees totalling \$2.730 million have been provided to landlords and work cover authority. There are no other contingent liabilities identified at reporting date.

16. Subsequent Events

Subsequent to 31 December 2020, the Group entered into a hire contract with Grove (Aust) Pty Ltd for the provision of mobile cranes services in January 2021. Mr. Stephen A Grove is Executive Chairman and owner of Grove (Aust) Pty Ltd. The services performed totalled \$76,968 and is based on normal commercial terms and conditions.

Subsequent to 31 December 2020, the Board have resolved to pay an unfranked interim dividend of 0.5 cents per share on 16 April 2021 to shareholders on the register at 26 March 2021. The estimated liability based on the number of ordinary shares at the half-year is \$2.139 million. The dividend has not been provided for in the 31 December 2020 half-year end financial statements.

17. Changes in Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period with no new accounting standards impacting the Group during the period.

Directors' Declaration

1. In the opinion of the Directors of Boom Logistics Limited ("the Company"):

- (a) the consolidated interim financial statements and notes that are set out on pages 7 to 28 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2020 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; 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.

Signed in accordance with a resolution of the Directors:



Maxwell Findlay
Chairperson



Tony Spassopoulos
Managing Director

Melbourne, 24 February 2021



Independent Auditor's Review Report

To the shareholders of Boom Logistics Limited

Conclusion

We have reviewed the accompanying **Interim Financial Report** of Boom Logistics Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Interim Financial Report of Boom Logistics Limited does not comply with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2020 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The **Interim Financial Report** comprises:

- Consolidated interim statement of financial position as at 31 December 2020
- Consolidated interim statement of comprehensive income, Consolidated interim statement of changes in equity and Consolidated interim statement of cash flows for the Half-year ended on that date
- Notes 1 to 17 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The **Group** comprises Boom Logistics Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report.

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 and 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 annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.



Responsibilities of the Directors for the Interim Financial Report

The Directors of the Company are responsible for:

- the preparation of the Interim Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Interim Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the Interim Financial Report does not comply with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2020 and its performance for the Half-Year ended on that date, and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of an Interim Financial Report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with *Australian Auditing Standards* and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

KPMG

Andrew Hounsell

Partner

Melbourne

24 February 2021