



**ABN 28 095 466 961**

**Interim Financial Report  
for the six months ended 31 December 2019**

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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 2019.

### 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. Jean-Pierre Johannes Andreas Maria Buijtel <sup>a</sup>	Director (non-independent, non-executive)
Mr Terrence Charles Francis	Director (independent, non-executive)
Mr Terence Alexander Hebiton	Director (independent, non-executive)

<sup>a</sup> Mr. Buijtel is employed by Rorema Beheer B.V., the fund manager (**the Fund Manager**) of the fund Gran Fondo Capital (**the Fund**) which holds 35,380,332 shares in Boom Logistics Limited (the Company). Mr. Buijtel's remuneration is partly linked to the performance of the Fund, which is influenced by the performance of the shares of the Company as long as the Fund holds shares in the Company. Mr. Buijtel holds a minority economic interest of less than 5% of the units of the Fund and thereby indirectly an economic interest in the Company as long as the Fund holds shares in the Company. The Fund is open-ended and Mr. Buijtel can redeem his units in the Fund against their net asset value minus redemption fee at each transaction day of the Fund. Mr. Buijtel is not a director of the Fund Manager, and does not have the power to exercise votes, control the exercise of votes, dispose of or control the disposal of the Fund's shares in the Company. However, he can influence the decision-making process of the director of the Fund Manager in his capacity as its portfolio manager.

### Operating and Financial Review

The Group recorded a net loss after tax for the half-year ended 31 December 2019 (H1 FY20) of \$5.8 million (H1 FY19: profit of \$0.2 million). Statutory earnings before interest expense, tax, depreciation and amortisation (EBITDA) were a profit of \$12.0 million. Statutory earnings before interest expense and tax (EBIT) were a loss of \$3.5 million.

The new AASB 16 *Leases* accounting standard became effective for the Group from 1 July 2019 and was implemented for the first time in this reporting period. The new accounting standard has required the company to bring operating leases onto its balance sheet for the first time. Assets and liabilities for all leases with a term of more than 12 months have been measured, and a lease liability and a corresponding right-of-use asset included.

Before adjusting for the impact of the AASB 16 *Leases* accounting standard the statutory underlying (like for like) earnings before interest, tax, depreciation and amortisation (trading EBITDA) were \$7.2 million (H1 FY19: \$12.0 million).

This was a challenging first half for the Group, impacted by delays and change to a significant wind farm contract in Tasmania. Unseasonably heavy snow and adverse weather conditions contributed to schedule delays, lower productivity and increased project costs. As a consequence, the project was reduced in scope and required additional nightshift crews to complete the revised program at significant cost. Project revenue was approximately \$5 million less than expected, reflecting reduced contract scope as the contract was changed from 48 to 28 towers and work was shared with another contractor. While the Company remains in negotiation with the contract owner, a provision of

## **DIRECTORS' REPORT (continued)**

### **Operating and Financial Review (continued)**

\$2.3 million related to costs that may be incurred in the second half is included in the result.

The Queensland wind farm project progressed well. The group was awarded additional work at Coopers Gap through to April 2020 and continued to secure further wind farm maintenance works with other existing customers.

Activity in the Group's mining maintenance sector remained solid. Maintenance activity on metallurgical coal mines in Queensland was strong and above expectations. In New South Wales, revenue was lower as clients reduced maintenance in response to lower thermal coal export prices. Rebuilding of relationships after the industrial dispute has progressed more slowly than expected although work with a major new customer commenced in the Hunter Valley. New rented assets are in place at Olympic Dam, and the company is redeploying the surplus assets to serve the growing mining maintenance market in central Queensland.

In Western Australia, large customers implemented cost reduction programs and shutdowns were smaller than in previous periods. The company has appointed a new general manager who has improved trading performance in the second quarter. The company is developing customer relationships and targeting new growth construction project opportunities in north-west Western Australia.

Among infrastructure projects, work commenced on the Albion Park Rail bypass project in October 2019, where the company will provide lifting services for the construction of 13 bridges over the next two years. A new 750 tonne crane was delivered to Melbourne in December 2019, which will be utilised on infrastructure projects and wind farm maintenance in H2 FY20. The company is targeting the burgeoning infrastructure sector for growth, focussed on the east coast of Australia where there is a strong pipeline of infrastructure, rail and major engineering construction projects over the next three years.

During the half-year a new general manager was appointed to lead the readi labour hire business, targeting growth opportunities. The readi business received several small new contracts and revenue is growing with the focus continuing to be on the oil and gas, mining and infrastructure sectors.

Following the successful restructure of the travel towers business with reduced depot overheads, telecommunications sector work increased with 5G and data network upgrades continuing in metro areas. The business has a solid pipeline of work for the rest of the financial year. Electrical transmission line projects, stringing lines to power poles which connect power to the energy grid, are also increasing.

Overall, revenue performance in the period was solid but profit and margins were impacted by delays and change to one significant wind farm contract and a slower than anticipated start to the financial year in the Western Australia and New South Wales markets.

### **Balance Sheet**

Net debt decreased by \$9.3 million in the period on a like for like basis.

Implementing the new AASB 16 *Leases* accounting standard resulted in recognition of an additional \$22.1m of lease liabilities on the balance sheet with \$3.5 million of previously recognised finance lease liabilities reclassified from

## DIRECTORS' REPORT (continued)

### Operating and Financial Review (continued)

interest bearing loans and borrowings to lease liabilities. A corresponding right of use asset and lease receivable balance was also recognised on balance sheet.

The on-market share buy-back announced on 21 November 2018 concluded on 27 November 2019, when 46 million shares had been purchased for a consideration of \$7.5 million. This included 11.4 million shares purchased during the first half at a cost of \$1.7 million.

Overall net assets decreased to \$126.3 million (30 June 2019: \$133.9 million).

### Cash Flows

Cash provided by operating activities was \$9.6 million (H1 FY19: \$12.1 million) on a like for like basis. As in prior years cash from operating activities included a tax refund of \$4.5 million that will be repaid in the second half.

Free cash flow was \$11.0 million on a like for like basis, up from \$4.7 million.

On a statutory basis, after reflecting reclassification of balances required by AASB 16 *Leases* operating cash was \$15.6m. Net cash provided by investing activities was \$1.4 million (H1 FY19: outflow of \$7.4 million). The Group's asset rental model has reduced capital expenditure and, having paid back debt, the Group also benefited from lower interest costs.

### Dividend

Following completion of the 46 million share buy-back, and in light of the Company's strong cash flows, the Board have resolved to pay an interim dividend. An unfranked interim dividend of 0.5 cents per share will be paid on 21 April 2020 to shareholders on the register at 31 March 2020.

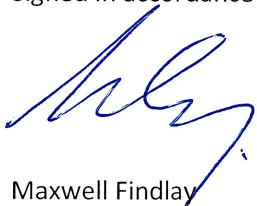
### Lead Auditor's Independence Declaration to the Directors

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

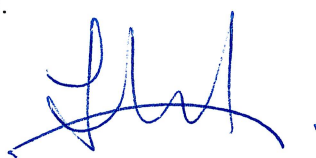
The amounts contained in this report and in the financial report are presented in Australian dollars and have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available under ASIC Corporations Instrument 2016/191. The Group is of a kind to which the Corporations Instrument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

Signed in accordance with a resolution of the Directors.



Maxwell Findlay  
Chairman

Melbourne, 26 February 2020



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 six months ended 31 December 2019 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.

KPMG

Andrew Hounsell  
*Partner*  
Melbourne  
26 February 2020

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

**Consolidated Interim Statement of Comprehensive Income**  
**for the half-year ended**  
**31 December 2019**

	Note	2019 \$'000	2018 ^ \$'000
<b>Revenue</b>	2	<b>94,857</b>	92,465
Other income	3(a)	<b>66</b>	2,986
Salaries and employee benefits expense		<b>(50,368)</b>	(48,675)
Equipment service and supplies expense	3(b)	<b>(24,888)</b>	(22,792)
Operating lease expense		<b>(430)</b>	(5,288)
Other expenses	3(b)	<b>(6,632)</b>	(6,959)
Restructuring expense		<b>(572)</b>	(354)
Depreciation expense		<b>(8,132)</b>	(8,334)
Depreciation expense - Right-of-use assets	15	<b>(7,354)</b>	-
Impairment expense		-	(975)
		-----	-----
<b>(Loss) / profit before financing expense and income tax</b>		<b>(3,453)</b>	2,074
Financing expense	10	<b>(1,464)</b>	(1,906)
Financing expense - Lease liabilities	15	<b>(849)</b>	-
		-----	-----
<b>(Loss) / profit before income tax</b>		<b>(5,766)</b>	168
Income tax benefit	4	-	-
		-----	-----
<b>Net (loss) / profit attributable to members of Boom Logistics Limited</b>		<b>(5,766)</b>	168
		=====	=====
<b>Other comprehensive (loss) / income</b>			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Cash flow hedges recognised in equity, net of tax		<b>(52)</b>	74
		-----	-----
<b>Other comprehensive (loss) / income for the period, net of tax</b>		<b>(52)</b>	74
		-----	-----
<b>Total comprehensive (loss) / income for the period attributable to members of Boom Logistics Limited</b>		<b>(5,818)</b>	242
		=====	=====
Basic (losses) / earnings per share (cents per share)	5	<b>(1.30)</b>	0.04
Diluted (losses) / earnings per share (cents per share)	5	<b>(1.30)</b>	0.03

^ The Group has initially applied AASB 16 *Leases* using the modified retrospective (option 2) approach. Under this approach, comparative information is not restated (refer to note 15).

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

Consolidated Interim Statement of Financial Position  
as at 31 December 2019

	Note	31 December 2019 \$'000	30 June 2019 ^ \$'000
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		1,962	1,450
Trade receivables, contract assets and other receivables		34,151	35,524
Inventories, prepayments and other current assets		4,369	5,282
Assets classified as held for sale		250	250
Income tax receivable		-	4,450
Lease receivables	15	1,141	-
<b>TOTAL CURRENT ASSETS</b>		<b>41,873</b>	46,956
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	7	139,215	152,079
Right-of-use assets	15	25,270	-
Lease receivables	15	1,034	-
Deferred tax asset		52	28
<b>TOTAL NON-CURRENT ASSETS</b>		<b>165,571</b>	152,107
<b>TOTAL ASSETS</b>		<b>207,444</b>	199,063
<b>CURRENT LIABILITIES</b>			
Trade and other payables		14,127	13,868
Interest bearing loans and borrowings	10	5,179	5,167
Lease liabilities	15	12,392	-
Employee provisions		8,097	8,147
Other provisions and liabilities	9	6,071	4,539
Derivative financial instruments		115	-
<b>TOTAL CURRENT LIABILITIES</b>		<b>45,981</b>	31,721
<b>NON-CURRENT LIABILITIES</b>			
Interest bearing loans and borrowings	10	20,513	32,709
Lease liabilities	15	13,220	-
Employee provisions		324	307
Other provisions and liabilities	9	1,025	344
Derivative financial instruments		70	110
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>35,152</b>	33,470
<b>TOTAL LIABILITIES</b>		<b>81,133</b>	65,191
<b>NET ASSETS</b>		<b>126,311</b>	133,872
<b>EQUITY</b>			
Contributed equity	11	310,327	312,057
Retained losses		(186,367)	(180,601)
Reserves		2,351	2,416
<b>TOTAL EQUITY</b>		<b>126,311</b>	133,872

^ The Group has initially applied AASB 16 *Leases* using the modified retrospective (option 2) approach. Under this approach, comparative information is not restated (refer to note 15).

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 2019**

	Note	2019 \$'000	2018 ^ \$'000
<b>Cash flows from operating activities</b>			
Receipts from customers		106,684	105,794
Payments to suppliers and employees		(93,318)	(96,386)
Interest paid		(1,412)	(1,741)
Interest paid - Lease liabilities		(849)	-
Interest received		4	6
Interest received - Lease receivables		54	-
Income tax received		4,450	4,450
		-----	-----
<b>Net cash provided by operating activities</b>		<b>15,613</b>	<b>12,123</b>
		-----	-----
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1,439)	(8,721)
Proceeds from the sale of property, plant and equipment		2,880	1,273
		-----	-----
<b>Net cash provided by / (used in) investing activities</b>		<b>1,441</b>	<b>(7,448)</b>
		-----	-----
<b>Cash flows from financing activities</b>			
Payments for shares bought back		(1,726)	(1,922)
Proceeds from borrowings		-	9,240
Repayment of borrowings		(8,510)	(11,337)
Repayment of borrowings - Lease liabilities	15	(6,716)	-
Receipts from finance leases as lessor	15	416	-
Payment of transaction costs related to share buy-back and borrowings		(6)	(44)
		-----	-----
<b>Net cash used in financing activities</b>		<b>(16,542)</b>	<b>(4,063)</b>
		-----	-----
Net increase in cash and cash equivalents		512	612
Cash and cash equivalents at the beginning of the period		1,450	1,670
		-----	-----
<b>Cash and cash equivalents at the end of the period</b>		<b>1,962</b>	<b>2,282</b>
		=====	=====

^ The Group has initially applied AASB 16 *Leases* using the modified retrospective (option 2) approach. Under this approach, comparative information is not restated (refer to note 15).

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 2019**

Note	Issued Capital \$'000	Retained Earnings \$'000	Cash Flow Hedge Reserve \$'000	Employee Equity Benefits Reserve \$'000	Total Equity \$'000
<b>At 1 July 2018 as originally presented</b>	318,065	(174,871)	(60)	2,056	145,190
Adjustment on initial application of AASB 9	-	(400)	-	-	(400)
<b>Adjusted balance at 1 July 2018</b>	318,065	(175,271)	(60)	2,056	144,790
Profit for the half-year	-	168	-	-	168
Other comprehensive income	-	-	74	-	74
<b>Total comprehensive profit</b>	-	168	74	-	242
<b>Transactions with owners in their capacity as owners:</b>					
Cost of share based payments	-	-	-	388	388
Share buy-back net of transaction costs and tax	(1,943)	-	-	-	(1,943)
<b>At 31 December 2018 ^</b>	316,122	(175,103)	14	2,444	143,477
<b>At 1 July 2019</b>	312,057	(180,601)	(77)	2,493	133,872
Loss for the half-year	-	(5,766)	-	-	(5,766)
Other comprehensive loss	-	-	(52)	-	(52)
<b>Total comprehensive loss</b>	-	(5,766)	(52)	-	(5,818)
<b>Transactions with owners in their capacity as owners:</b>					
Cost of share based payments	-	-	-	(13)	(13)
Share buy-back net of transaction costs and tax	(1,730)	-	-	-	(1,730)
<b>At 31 December 2019</b>	310,327	(186,367)	(129)	2,480	126,311

^ The Group has initially applied AASB 16 *Leases* using the modified retrospective (option 2) approach. Under this approach, comparative information is not restated (refer to note 15).

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 2019

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### **About This Report**

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2019 was authorised for issue in accordance with a resolution of the Board of Directors on 26 February 2020.

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 2019 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 2019.

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 2019 and considered together with any public announcements made by Boom Logistics Limited during the half-year ended 31 December 2019 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 2019

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### **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 2019

### 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 2019</i>					
<b>Segment revenue</b>					
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
					=====
<b>Segment result</b>					
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					(2,255)
Income tax benefit					-
					-----
Loss from continuing operations					(5,766)
					=====
<b>Segment assets and liabilities</b>					
Segment assets	202,390	3,528	3,896	(2,370)	207,444
Segment liabilities	76,471	685	3,977	-	81,133
	-----	-----	-----	-----	-----
Additions to non-current assets	706	90	-	-	796

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

## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### 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 2018</i>					
<b>Segment revenue</b>					
Total external revenue	91,041	1,424	-	-	92,465
Inter-segment revenue	-	10,951	-	(10,951)	-
	-----	-----	-----	-----	-----
Total segment revenue	91,041	12,375	-	(10,951)	92,465
Other income					2,986
					-----
Total revenue and other income					95,451
					=====
<b>Segment result</b>					
Operating result	14,866	544	(3,395)	-	12,015
Net profit on disposal of property, plant and equipment	391	-	-	-	391
Depreciation expense	(8,045)	(4)	(285)	-	(8,334)
Restructuring expense	(354)	-	-	-	(354)
Employee benefit expense - retirement provision	-	-	(675)	-	(675)
Impairment of property, plant and equipment	(975)	-	-	-	(975)
	-----	-----	-----	-----	-----
Profit before net interest and tax	5,883	540	(4,355)	-	2,068
	-----	-----	-----	-----	-----
Net interest					(1,900)
Income tax benefit					-
					-----
Profit from continuing operations					168
					=====

##### *Year ended: 30 June 2019*

##### **Segment assets and liabilities**

Segment assets	191,159	1,949	7,704	(1,749)	199,063
Segment liabilities	58,492	928	5,771	-	65,191
	-----	-----	-----	-----	-----
Additions to non-current assets	12,461	-	464	-	12,925

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

## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### 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 the hire/rental of lifting/access equipment, labour and other services to 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>	<b>Lifting Solutions \$'000</b>	<b>Labour Services \$'000</b>	<b>Consolidated \$'000</b>
<b><i>Half-year ended 31 December 2019</i></b>				
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
		=====	=====	=====
<b><i>Timing of revenue recognition</i></b>				
Services transferred over time		94,081	776	94,857
		=====	=====	=====
<b><i>Half-year ended 31 December 2018</i></b>				
Mining & resources		43,766	19	43,785
Wind, energy, & utilities		17,035	-	17,035
Infrastructure & construction		12,305	647	12,952
Industrial maintenance		11,412	746	12,158
Telecommunications		6,003	-	6,003
Other		520	12	532
		-----	-----	-----
Total revenue from contracts with customers		91,041	1,424	92,465
		=====	=====	=====
<b><i>Timing of revenue recognition</i></b>				
Services transferred over time		91,041	1,424	92,465
		=====	=====	=====

(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 for the half-year ended 31 December 2019.

## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### Section A: Financial Performance (continued)

#### 2. Revenue from Contracts with Customers (continued)

##### *Contract balances*

		31 December	30 June
	Note	2019	2019
		\$'000	\$'000
Trade and other receivables		26,848	29,382
Contract assets	(ii)	7,303	6,142
		-----	-----
Total trade receivables, contract assets and other receivables		34,151	35,524
		=====	=====

(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 reference to the stage of completion of the contract. 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 2019

### Section A: Financial Performance (continued)

	2019 \$'000	2018 \$'000
<b>3. Other Income And Expenses</b>		
<b>(a) Other income</b>		
Profit / (loss) on disposal of plant and equipment	58	391
Profit / (loss) on disposal of plant and equipment - Right-of-use assets	(50)	-
Insurance settlement	-	2,589
Interest income	4	6
Interest income - Lease receivables	54	-
	-----	-----
Total other income	66	2,986
	=====	=====
<b>(b) Expenses</b>		
External equipment hire	5,349	5,725
External labour hire	2,925	1,790
Maintenance	4,244	5,476
Fuel	2,034	1,869
External transport	3,145	4,485
Employee travel and housing	834	911
Other reimbursable costs (on-charged to customers)	1,369	379
Other equipment services and supplies	4,988	2,157
	-----	-----
Total equipment services and supplies expense	24,888	22,792
	=====	=====
Employee related	1,667	1,854
Insurance and compliance	1,636	1,874
IT and communications	1,442	1,329
Occupancy	622	670
Other overheads	1,265	1,232
	-----	-----
Total other expense	6,632	6,959
	=====	=====

## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### Section A: Financial Performance (continued)

	2019 \$'000	2018 \$'000
<b>4. Income Tax</b>		
A reconciliation between tax benefit and the accounting (loss) / profit before income tax is as follows:		
Accounting (loss) / profit before tax from continuing operations	(5,766)	168
At the Group's statutory income tax rate of 30% (2018: 30%)	(1,730)	50
Expenditure not allowable for income tax purposes	28	10
Current year losses for which no deferred tax asset is recognised	702	-
Previously unrecognised tax losses now recouped to reduce current tax expense	-	(60)
Derecognition of tax losses recognised in previous years	1,000	-
	-----	-----
Income tax benefit	-	-
	=====	=====

As at 31 December 2019, the Group has total tax losses of \$30.237 million tax effected (30 June 2019: \$29.537 million). \$5.405 million of these losses have been recognised on balance sheet and \$24.832 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.

#### 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 2019

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

- (i) The total number of granted rights and options at 31 December 2019 were excluded from the diluted weighted average number of ordinary shares calculation as their effect was anti-dilutive.

#### 6. Dividends

There were no dividends paid during the half-year ended 31 December 2019.

##### *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 21 April 2020 to shareholders on the register at 31 March 2020. The estimated liability based on the number of ordinary shares at the half-year is \$2.1 million.

## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### 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

	Note	Rental Equipment \$'000	Motor Vehicles \$'000	Machinery, Furniture, Fittings & Equipment \$'000	Freehold Land & Buildings \$'000	Total \$'000
<i>Half-year ended 31 December 2019</i>						
Carrying amount at beginning net of accumulated depreciation and impairment		145,000	4,078	1,319	1,682	152,079
Additions		416	16	364	-	796
Disposals		(1,082)	(676)	(32)	-	(1,790)
Transfers	(i)	(3,694)	(45)	1	-	(3,738)
Depreciation charge for the period		(7,257)	(390)	(425)	(60)	(8,132)
		-----	-----	-----	-----	-----
Carrying amount at end net of accumulated depreciation and impairment		133,383	2,983	1,227	1,622	139,215
		=====	=====	=====	=====	=====
<i>Closing balance at 31 December 2019</i>						
At cost		308,472	20,041	6,172	3,120	337,805
Accumulated depreciation		(175,089)	(17,058)	(4,945)	(1,498)	(198,590)
		-----	-----	-----	-----	-----
Net carrying amount		133,383	2,983	1,227	1,622	139,215
		=====	=====	=====	=====	=====

- (i) Finance leased assets of \$3.738 million at 30 June 2019 were reclassified to Right-of-use Assets in accordance with the new accounting standard AASB 16 *Leases*. Refer to note 15 for further details. At 31 December 2019, the finance leased asset balance was \$3.651 million.

#### 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 2019

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### 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 2019 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 5 December 2019. 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 2019.

#### 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 \$2.467 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 \$2.3 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 2019

### 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.

	31 December 2019 \$'000	30 June 2019 \$'000
<b>10. Interest Bearing Loans and Borrowings</b>		
<i>Current</i>		
Other loans	5,179	5,167
Total current interest bearing liabilities	5,179	5,167
<i>Non current</i>		
Other loans	13,675	21,923
Secured bank loans	7,000	11,000
Prepaid borrowing costs	(162)	(214)
Total non-current interest bearing liabilities	20,513	32,709
Total interest bearing liabilities	25,692	37,876

#### Terms and debt repayment schedule

	Currency	Weighted average interest rate	Year of maturity	31 December 2019 \$'000 Carrying amount	30 June 2019 \$'000
Syndicated debt	AUD	4.01%	January 2022	7,000	11,000
Trade receivables loan	AUD	7.93%	January 2022	5,568	7,617
Finance lease	AUD	5.98%	2023 to 2024	(i)	3,726
Finance arrangement	AUD	5.98%	August 2021	13,286	15,747
Prepaid borrowing costs				(162)	(214)
Total interest bearing liabilities				25,692	37,876

(i) Finance leases of \$3.726 million at 30 June 2019 were reclassified to Lease Liabilities in accordance with the new accounting standard AASB 16 *Leases*. Refer to note 15 for further details. At 31 December 2019, the finance lease balance was \$3.456 million.

## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### Section C: Funding Structures (continued)

#### 10. Interest Bearing Loans and Borrowings (continued)

##### *Covenant position*

The Group was in compliance with all financial and non-financial banking covenants as at 31 December 2019.

	Note	2019 \$'000	2018 \$'000
<i>Financing expense</i>			
Interest expense	(i)	1,016	1,349
Borrowing costs - amortisation (non-cash)		52	165
Borrowing costs - other		396	392
		-----	-----
Total financing expense		1,464	1,906
		=====	=====

- (i) Finance leases were reclassified to Lease Liabilities in accordance with the new accounting standard AASB 16 Leases. Accordingly, interest expense of \$0.112 million on these finance leases at 31 December 2019 was recognised under Financing expense - Lease liabilities on the Statement of Comprehensive Income.

	31 December 2019 \$'000	30 June 2019 \$'000
Note		

#### 11. Contributed Equity

Issued and fully paid ordinary shares	310,327	312,057
---------------------------------------	---------	---------

	31 December 2019	
	No. of shares	\$'000
<i>Movements in ordinary shares on issue</i>		
Opening balance at 1 July 2019	439,193,800	312,057
Shares bought back on-market and cancelled	(i) (11,419,593)	(1,726)
Buy-back transaction costs	-	(6)
Tax credits recognised directly in equity	-	2
	-----	-----
Closing balance at 31 December 2019	427,774,207	310,327
	=====	=====

- (i) During the period, Boom purchased and cancelled 11,419,593 ordinary shares as a result of the on market share buy-back scheme. The total cost, including transaction costs, was \$1,731,890. The on market share buy-back of ordinary shares were priced between \$0.14 and \$0.17 per share. This share buy-back scheme has been completed.

## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### 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. Share-based Payments

The terms and conditions of the executive remuneration plans remain the same as at 30 June 2019. 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	\$0.1358	872,222	\$0.1776	2,424,425	\$0.1869	18,830,493
Granted during the period	\$0.1581	481,773	\$0.1560	493,156	\$0.1450	16,454,403
Exercised during the period	\$0.1600	(56,423)	\$0.1428	(434,536)	\$0.0000	-
Forfeited during the period	\$0.0000	-	\$0.1400	(126,889)	\$0.1643	(138,798)
At end of period	<b>\$0.1430</b>	<b>1,297,572</b>	<b>\$0.1815</b>	<b>2,356,156</b>	<b>\$0.1674</b>	<b>35,146,098</b>

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

	31 December 2019
Grant date	29 November 2019
Vesting date	31 August 2022
Expiry date	30 September 2022
Share price at grant date	\$0.145
Fair value at grant date	\$0.045
Exercise price	\$0.145
Expected life	2.8 years
Expected price volatility of Boom's shares	47%
Risk-free interest rate	0.65%
Expected dividend yield	0.00%

	31 December 2019 \$'000	30 June 2019 \$'000
<i>Carrying values</i>		
Salary Sacrifice Rights Plan	676	600
Short Term Incentive Plan	798	721
Long Term Incentive Plan	1,006	1,172
	-----	-----
Total employee equity benefits reserve	<b>2,480</b>	2,493
	=====	=====



## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

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### Section D: Other Disclosures (continued)

#### 13. Contingencies

##### *Contingent liabilities*

Performance guarantees totalling \$3.436 million have been provided in relation to wind farm construction projects of which \$2.700 million will expire within a year and the remainder by 1 May 2022. In addition, other bank guarantees totalling \$4.662 million have been provided to landlords and work cover authority. There are no other contingent liabilities identified at reporting date.

#### 14. Subsequent Events

On 26 February 2020, the Directors of Boom Logistics Limited resolved to pay an unfranked interim dividend of 0.5 cents per share on 21 April 2020 to shareholders on the register at 31 March 2020. The estimated liability based on the number of ordinary shares at the half-year is \$2.1 million. The dividend has not been provided for in the 31 December 2019 half-year financial statements.

The Directors are not aware of any other matter or circumstance that has arisen since 31 December 2019 that has significantly affected or may significantly affect the operations of the Group in subsequent financial years, the results of those operations or the state of affairs of the Group in future financial years.

#### 15. Changes in Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period, except for the adoption of the new accounting standard AASB 16 *Lease*. The nature and effect of the new accounting standard is disclosed below.

Standards	AASB 16 <i>Leases</i>
<b>Nature of change</b>	The standard removes the classification of leases as either operating leases or finance leases for the lessee, effectively treating all leases as finance leases. This will effectively move all off-balance sheet operating leases onto the balance sheet.
<b>Effective date</b>	Mandatory for financial years commencing on or after 1 January 2019.  The Group has adopted the standard using the modified retrospective (option 2) approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2019 and that comparatives have not been restated.
<b>Impact</b>	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.

## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### Section D: Other Disclosures (continued)

#### 15. Changes in Significant Accounting Policies (continued)

Standards	AASB 16 <i>Leases</i> (continued)
<b>Impact</b>	<p>On adoption of AASB 16, 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.</p> <p>Right-of-use assets are measured at cost comprising the following:</p> <ul style="list-style-type: none"> <li>• the amount of the initial measurement of lease liability;</li> <li>• any initial direct costs; and</li> <li>• restoration costs.</li> </ul> <p>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:</p> <ul style="list-style-type: none"> <li>• fixed payments;</li> <li>• variable lease payments that are based on an index or a rate;</li> <li>• amounts expected to be payable under residual value guarantees;</li> <li>• the exercise price of a purchase option if reasonably certain to exercise the option; and</li> <li>• payments of penalties for terminating the lease.</li> </ul> <p>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.</p> <p>The impact of AASB 16 adoption at 1 July 2019 is as follows:</p> <ul style="list-style-type: none"> <li>• Right-of-use assets increased by \$26.133 million;</li> <li>• Property, plant and equipment decreased by \$3.738 million;</li> <li>• Lease receivables increased by \$0.654 million;</li> <li>• Lease liabilities increased by \$26.763 million;</li> <li>• Interest bearing loans and borrowings decreased by \$3.726 million;</li> <li>• Prepayments decreased by \$0.556 million;</li> <li>• Surplus lease space provision decreased by \$0.544 million;</li> <li>• No impact on opening retained earnings;</li> </ul> <p>In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard:</p> <ul style="list-style-type: none"> <li>• the use of a single discount rate to a portfolio of leases with reasonably similar characteristics;</li> <li>• short term leases of 12 months or less and do not contain a purchase option were excluded;</li> <li>• lease contracts for which the underlying asset is of low value (circa. \$10,000) were excluded;</li> </ul>

## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### Section D: Other Disclosures (continued)

#### 15. Changes in Significant Accounting Policies (continued)

Standards	AASB 16 <i>Leases</i> (continued)																																												
<b>Impact</b>	<ul style="list-style-type: none"> <li>applied only to leases that were previously identified as leases under the previous AASB 117 and IFRIC 4 standards at 1 July 2019; and</li> <li>reliance on previous assessments on whether leases are onerous.</li> </ul> <p>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.</p> <p>The reconciliation of operating lease commitments disclosed at 30 June 2019 to opening lease liability at 1 July 2019 is as follows:</p> <table> <tr> <td></td><td style="text-align: right;"><b>1 July 2019 \$'000</b></td></tr> <tr> <td>Operating lease commitments disclosed at 30 June 2019</td><td style="text-align: right;">27,885</td></tr> <tr> <td>Adjustments:</td><td></td></tr> <tr> <td>- present value using applicable discount rates at date of initial application</td><td style="text-align: right;">(1,860)</td></tr> <tr> <td>- add: finance lease liabilities at 30 June 2019</td><td style="text-align: right;">3,726</td></tr> <tr> <td>- less: short-term leases recognised on a straight-line basis as expenses</td><td style="text-align: right;">(595)</td></tr> <tr> <td>- less: leases contracted at 30 June 2019 but commencing after 1 July 2019</td><td style="text-align: right;">(2,393)</td></tr> <tr> <td></td><td style="text-align: right;">-----</td></tr> <tr> <td>Lease liability recognised at 1 July 2019</td><td style="text-align: right;"><b>26,763</b></td></tr> <tr> <td></td><td style="text-align: right;">=====</td></tr> </table> <p>The impact of AASB 16 on the financial statements for the period is as follows:</p> <table> <tr> <td></td><td style="text-align: right;"><b>31 December 2019 \$'000</b></td></tr> <tr> <td>Depreciation expense of right-of-use assets</td><td style="text-align: right;">(7,354)</td></tr> <tr> <td>Interest expense on lease liabilities</td><td style="text-align: right;">(849)</td></tr> <tr> <td>Interest income on sublease of right-of-use assets</td><td style="text-align: right;">54</td></tr> <tr> <td>Gains or (losses) on termination of leases</td><td style="text-align: right;">(50)</td></tr> <tr> <td>Rent expense - short-term leases and leases of low value assets</td><td style="text-align: right;">(430)</td></tr> <tr> <td></td><td style="text-align: right;">-----</td></tr> <tr> <td>Total amounts recognised in profit or loss</td><td style="text-align: right;"><b>(8,629)</b></td></tr> <tr> <td></td><td style="text-align: right;">=====</td></tr> <tr> <td>Net cash flows from operating activities</td><td style="text-align: right;">6,300</td></tr> <tr> <td>Net cash flows from financing activities</td><td style="text-align: right;">(6,300)</td></tr> <tr> <td></td><td style="text-align: right;">=====</td></tr> </table>		<b>1 July 2019 \$'000</b>	Operating lease commitments disclosed at 30 June 2019	27,885	Adjustments:		- present value using applicable discount rates at date of initial application	(1,860)	- add: finance lease liabilities at 30 June 2019	3,726	- less: short-term leases recognised on a straight-line basis as expenses	(595)	- less: leases contracted at 30 June 2019 but commencing after 1 July 2019	(2,393)		-----	Lease liability recognised at 1 July 2019	<b>26,763</b>		=====		<b>31 December 2019 \$'000</b>	Depreciation expense of right-of-use assets	(7,354)	Interest expense on lease liabilities	(849)	Interest income on sublease of right-of-use assets	54	Gains or (losses) on termination of leases	(50)	Rent expense - short-term leases and leases of low value assets	(430)		-----	Total amounts recognised in profit or loss	<b>(8,629)</b>		=====	Net cash flows from operating activities	6,300	Net cash flows from financing activities	(6,300)		=====
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## Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2019

### Section D: Other Disclosures (continued)

#### 15. Changes in Significant Accounting Policies (continued)

Standards	AASB 16 Leases (continued)							
Impact	Note	Right-of-use Assets					Lease Receivables \$'000	Lease Liabilities \$'000
		Rental Equipment \$'000	Motor Vehicles \$'000	Other Equipment \$'000	Land & Buildings \$'000	Total \$'000		
As at 1 July 2019	(i)	10,982	4,961	122	10,068	<b>26,133</b>	654	26,763
Additions		3,584	1,934	5	993	<b>6,516</b>	1,937	5,540
Terminations		-	(25)	-	-	<b>(25)</b>	-	(20)
Depreciation expense		(3,610)	(1,308)	(28)	(2,408)	<b>(7,354)</b>	-	-
Receipts / payments		-	-	-	-	-	(416)	(6,671)
As at 31 December 2019		<b>10,956</b>	<b>5,562</b>	<b>99</b>	<b>8,653</b>	<b>25,270</b>	<b>2,175</b>	<b>25,612</b>
(i) Right-of-use assets and Lease Liabilities include finance lease balances at 30 June 2019 reclassified from Property, Plant and Equipment and Interest Bearing Loans and Borrowings totalling \$3.738 million and \$3.726 million, respectively.								

## 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 2019 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  
**Chairman**



Tony Spassopoulos  
**Managing Director**

Melbourne, 26 February 2020



# Independent Auditor's Review Report

To the shareholders of Boom Logistics Limited

## Report on the Interim Financial Report

### 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 is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the **Group's** financial position as at 31 December 2019 and of its performance for the six months 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 2019
- Consolidated Interim Statement of Comprehensive Income, Consolidated Interim Statement of Changes in Equity and Consolidated Interim Statement of Cash Flows for the six months ended on that date
- Notes 1 to 15 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 31 December 2019 or from time to time during the six month period.

### 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 is free from material misstatement, whether due to fraud or error.



### Auditor's responsibility for the review of the Interim Financial Report

Our responsibility is to express a conclusion on the Interim Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Interim Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2019 and its performance for the six months ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Boom Logistics Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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.

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

KPMG

Andrew Hounsell  
Partner  
Melbourne  
26 February 2020