2020
Annual Report

Annual General Meeting

Boom Logistics will hold its 2020 Annual General Meeting at 11.00am on Friday, 27 November 2020.

boomlogistics.com.au

ABN 28 095 466 961

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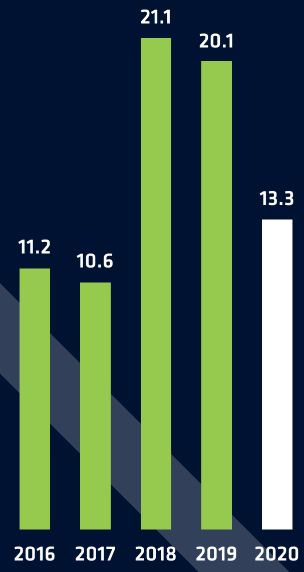
ABOUT BOOM

At BOOM, we deliver safe lifting solutions, with scale and precision, every time. Managing risk and complexity with confidence – that's the promise we make to our customers.

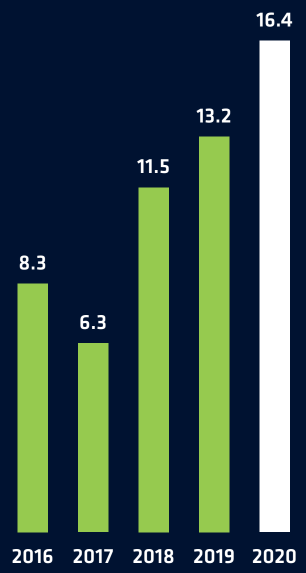
2020 HIGHLIGHTS

Revenue $m

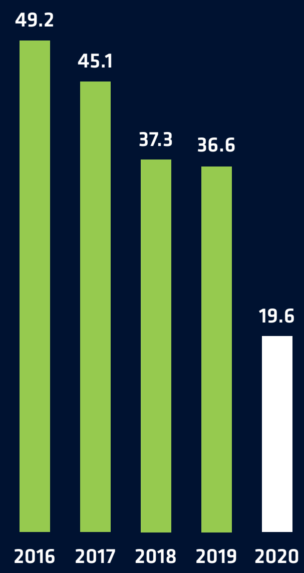
Trading EBITDA* $m



Operating Cash Flow* $m



Net Debt* $m

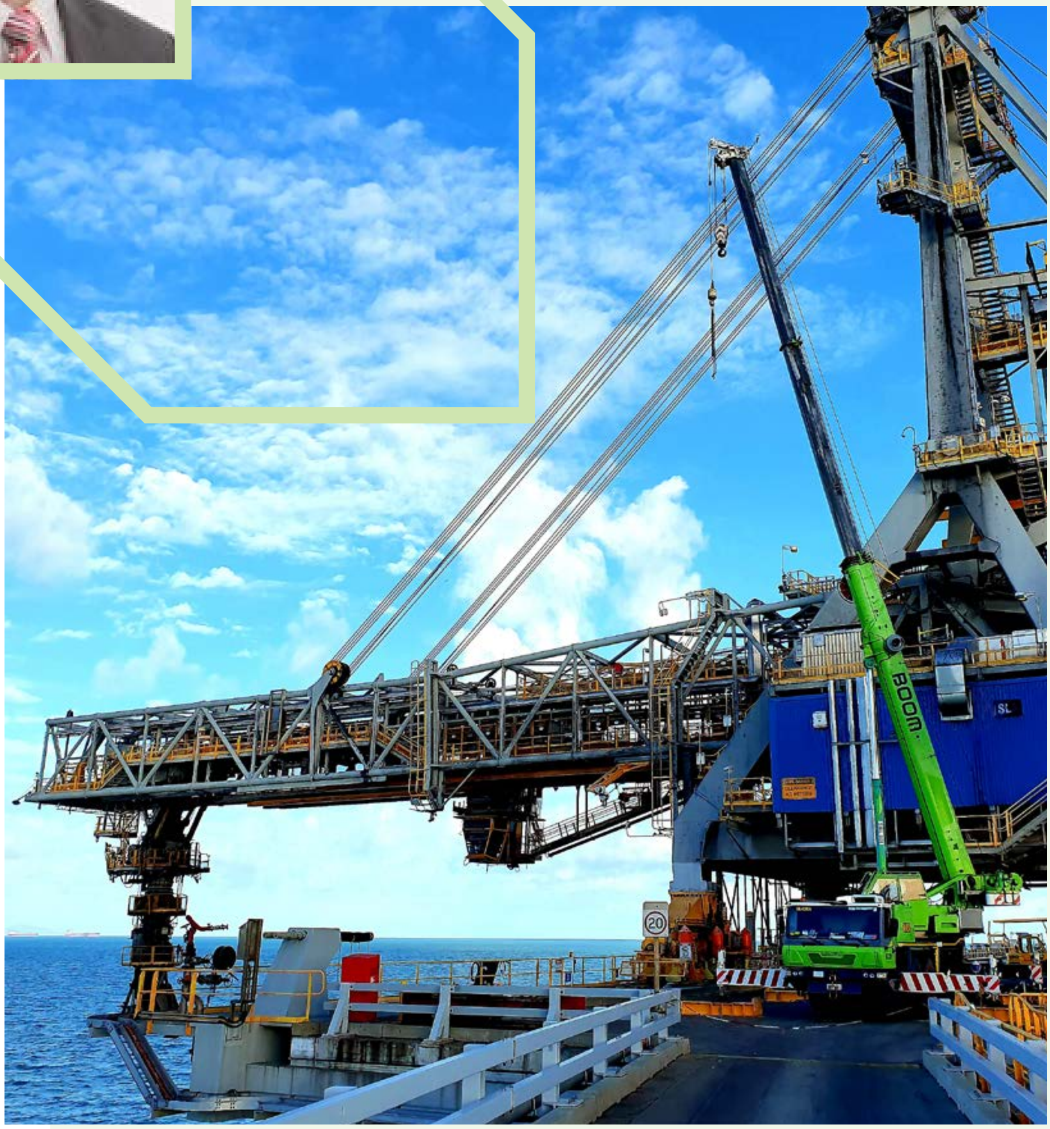


* non-IFRS financial measure, presented on a pre AASB16 like-for-like basis

The company generated solid free cash flows in FY20, increasing to $18.8 million compared to $8.8 million in FY19 (on a like for like, pre-AASB16 basis).

OPERATING AND FINANCIAL REVIEW

CHAIRMAN'S REPORT



The company had a disappointing net loss after tax of $17.0 million for the year ended 30 June 2020 (FY20). The main reasons for the negative result were fourfold:

- COVID-19 related delays to projects and shutdown maintenance,
- One-off, $4.45 million franking deficit tax expense and the decision to defer a tax payment until FY21/22,
- $1.9 million impairment ahead of the planned sale of smaller underutilised travel tower assets, and
- $7.5 million loss on a Tasmanian wind farm project due to delays, adverse weather and reduced scope of work and provision for amounts unresolved. We are actively pursuing unresolved claims for costs. Strengthened risk management procedures and contract review processes have been implemented.

In response to the economic slowdown, the company has sought to improve management of risk, reduce debt, strengthen cash flows

250
cranes in all sizes, from 5 tonne up to 750 tonne

and position the business to further diversify revenue streams in the coming years.

The loss-making Cattle Hill project was completed in March 2020. In light of this, we revised internal controls for operational management, contract risk and pricing decisions to help preserve margin and manage cost on future projects.

During the period, the company purchased 11.4 million shares via the on-market share buy-back, spending $1.7 million in FY20. Leading on from the COVID-19 crisis, Boom decided to protect its cash reserves. It deferred the interim dividend until 2 October 2020 and the board and a number of executives reduced their remuneration for the fourth quarter of FY20. We continue to monitor the impact of the pandemic.

The company has negotiated an interest free 24 month payment plan with the Australian Taxation Office to progressively repay a one-off $4.45 million tax expense over the forthcoming period.

The company generated solid free cash flows in FY20, increasing to $18.8 million compared to $8.8 million in FY19 (on a like for like, pre-AASB16 basis). This has enabled the company to reduce net debt to $19.6 million from $36.6 million. At 30 June 2020, net tangible assets per share were 27 cents, substantially above the company's current stock exchange valuation.

We are leveraging our presence on major mining sites in central Queensland to secure work from major mine operators, mining equipment and other subcontractors on site and boost revenue in the state.

Our wind farm pipeline of construction and maintenance opportunities is supported by successful projects, such as the recent Coopers Gap wind farm and our learnings from Cattle Hill.

In Western Australia we have had a significantly improved performance following the appointment of an experienced general manager to lead a new sales team and re-open a depot in Western Australia's north-west to expand our revenues and opportunities in the state.

Travel towers are benefiting from a more streamlined structure with management clear on its direction and accountability. We have shut depots, are continuing to sell smaller, older, less utilised travel towers and have focus on key markets. The division is now leaner with lower overheads and since the restructure has improved performance and is well positioned to grow and improve profitability while supporting its core customers in the buoyant telecommunications and power sectors.

COVID-19 has delayed some projects, particularly in civil engineering and wind farm construction. Our *readi* business – the source of shut-down labour for Boom – has been most affected with social distancing requirements reducing the number of personnel allowed on sites. The federal government's response to the economic consequences of the pandemic have reduced the impact on our operations. Access to JobKeeper support payments has helped us stay connected to our *readi* workforce. We expect this business to make a significant turnaround once the effects of the pandemic subside.

Across each division of the business, we have laid the foundations for Boom's future growth underpinned by low corporate debt and strong cash flows. Our strategy to diversify operations and revenue streams, with a greater focus on maintenance work, will improve the company's profitability over the coming years.

Finally, I thank my fellow directors for their guidance during a difficult year. I would also like to acknowledge the efforts of our team who continue to deliver a high level of service, despite the challenges the pandemic has brought to us.

We look forward to Boom capitalising on its considerable expertise and strong reputation in the markets we serve to improving returns to shareholders.

Maxwell J Findlay
Chairman

27 August 2020

BUSINESS OVERVIEW

Crane services

Key Operations

- Mining maintenance services
- Engineered specialised lifts
- Shutdown, industrial and programmed maintenance services
- Major clients are in the mining sector

Projects

Key Operations

- Wind farm construction projects
- Bridge installations, rail and infrastructure construction
- Wind farm maintenance programs

Travel towers

Key Operations

- Major power grid interconnector infrastructure project works
- Telecommunications – 5G installations and roll-out
- Wind farm transmission 'string-line' works to sub-stations
- High voltage transmission line maintenance

readi

Key Operations

- Mining shutdown and maintenance labour
- Oil and Gas maintenance service contracts
- Construction, heavy industry labour and specialised skills in wind farm sector

Achievements

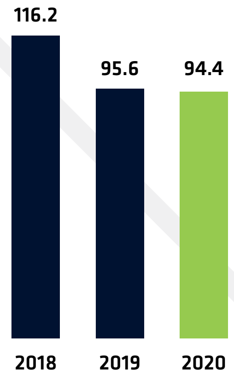
- Revenue of $94.4 million in FY20
- Central Queensland revenue increased 8% on additional work from BMA, Coronado, Glencore and Anglo American mines
- Renewed the Glencore contract, which includes Bulga in the New South Wales' Hunter Valley and Hail Creek in Queensland
- New maintenance contract won in Western Australia

Outlook

In FY21 we are re-establishing in the Moranbah region, where we are already seeing interest from miners. We are also expanding our service offering to our major customer at Olympic Dam in South Australia, where another major shutdown is planned.

We now expect operations in our new Port Hedland depot in north west Western Australia to start in the first quarter of FY21.

Revenue $m



Achievements

- Growth in wind farm, bridge installation, infrastructure and construction projects
- Revenue up 8%, contributing $38.0 million
- Queensland's Coopers Gap wind farm progressed with additional work through to May 2020, generating an additional $6 million of revenue

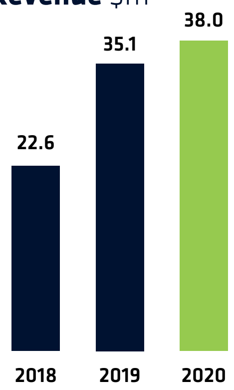
Outlook

Projects cranes are targeting large civil infrastructure work around the capital cities, such as rail works and level crossing removals in Melbourne, as well as large bridge and tunnel boring projects.

The larger cranes are increasingly used on national wind farm maintenance work, a high growth area. Work has commenced on a wind farm in Victoria on an equipment hire and labour rate model for the first half.

A contract for work on the Parramatta light rail infrastructure project is expected to commence in the first quarter. The recently signed contract to support work on the Snowy 2.0 project will also boost revenues.

Revenue $m



Achievements

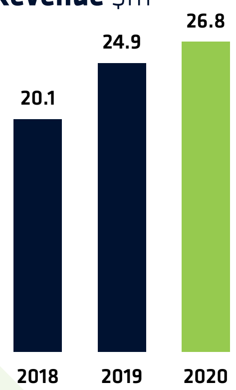
- Margins increased following a restructure in FY19 to focus on larger travel tower assets
- Revenue was 8% higher to $26.8 million
- The restructure of the business delivered cost savings and improved performance in FY20

Outlook

Solid business volumes in the telecommunications market are forecast. There is also potential for more high voltage line stringing and interconnector work over the next five years, largely due to the increase in renewable energy projects and upgrades to the electricity grid.

New high voltage transmission line works in the Pilbara region of WA commenced in August 2020.

Revenue $m



Achievements

- Revenue from Boom and readi contracts was $26.3 million
- Recruited a new general manager to drive growth
- *readi*'s customers include Fulton Hogan, UGL and Esso

Outlook

readi is making progress with external customer opportunities in the mining, construction and infrastructure sectors.

While COVID-19 was a challenge in the second half of FY20, we believe this business will strengthen after the pandemic. readi has stayed connected with its workforce and this will allow the business to ramp up services when the crisis subsides.

Revenue $m

OPERATING AND FINANCIAL REVIEW

MANAGING DIRECTOR'S REPORT

We progressed on a number of strategic goals as we continue to diversify and target new recurring revenue streams and position the company to grow profitably in the future.

FY20 was a challenging year for Boom Logistics, with COVID-19 affecting several parts of our business and one-off wind farm project costs impacting trading earnings before interest, tax, depreciation and amoritisation (EBITDA) of $13.3 million[1], down from $20.1 million in the previous year. Revenue increased to $185.5 million, up 1.5% from $182.7 million, reflecting the group's strategy to broaden its revenue base.

1 Trading EBITDA is a non-IFRS financial measure, presented on a pre-AASB16 like-for-like basis.

We progressed on a number of strategic goals as we continue to diversify and target new recurring revenue streams and position the company to grow profitably in the future.

At the heart of everything we do is the safety of our customers and employees throughout our operations. We undertook a safety "reset" last year to reinforce the safety priority and behaviours, which will drive the company towards our zero-harm goal.

Our Total Recordable Injury Frequency Rate decreased to 8.0 from 8.6 the previous year.

We undertook a safety re-set to increase the focus on safety interactions. The number of safety observations improved by 65% year-on-year. Further details of our HSEQ procedures, which are embedded in our culture, are on pages 20-21 of this report.

Strategy Focus

We continued to diversify our revenue base into infrastructure, wind energy, utilities, telecommunications and labour hire. The combined contribution of these sectors represented 53% of total revenue, with mining services contributing the balance 47% of total revenue. Diversification is supported by longer term mining services contracts together with the growth opportunity available from short term projects.

The adoption of a flexible asset rental model to fund growth assets has helped capital management, keeping capital expenditure low, while protecting the balance sheet. It has allowed progressive reduction of debt and ensures rental commitments are matched against project or contract opportunities. The business also continued to benefit from equipment sales in FY20, with $4.6 million in obsolete assets sold.

We are confident our prudent capital management strategy, together with our focus on diversification, recurring revenue streams and targeted growth markets, will lead to improved shareholder returns.

Divisions

Crane Services

Our lifting solutions cover a diverse range of industries and activities, with mining maintenance and shutdowns the main sectors we service.

Crane Services' revenue of $94.4 million was similar to last year, with Central Queensland providing a solid foundation. We are leveraging our reputation in the region to secure additional work from major mine operators and mining services contractors operating at the mine sites of our major clients, including BMA, Coronado, Glencore and Anglo – improving revenues by 8% on last year. In FY21 we are re-establishing in the Moranbah region, where we are already seeing interest from miners.

In New South Wales, we successfully renewed the Glencore contract which includes Bulga in the Hunter Valley and Hail Creek in Queensland. This was followed in the second half with an agreement to supply services to another major coal miner in the Hunter Valley.

In South Australia, we are expanding our service offering to our major customer at Olympic Dam where another major shutdown is being planned. This has involved moving a new fleet of assets to our on-site facility and releasing the existing assets to service other regions.

In Western Australia, we restructured our operations in the first half, adding a new general manager and sales team. In the second half of the year, the team increased revenue by winning a new maintenance contract and project work in the south west, improving revenues by 6% on last year.

Due to COVID-19, the establishment of a new Port Hedland depot to cover the north-west was delayed, but we now expect operations there to start in the first quarter of FY21.

readi

Our *readi* labour hire business focuses primarily on supplying skilled labour for mining shutdowns, oil and gas maintenance, and the construction and infrastructure sectors. Direct labour hire revenue from Boom and *readi* contracts was $26.3 million in FY20.

COVID-19 was a challenge in the second half of the year, as social distancing requirements impacted our industrial maintenance and oil and gas customers. The labour market tightened, as mine shutdowns were reduced and projects were delayed due to the coronavirus. *readi* is an opportunity to diversify our revenue base further and we believe this business will return in strength after the pandemic.

Travel Towers

Our Travel Towers business operates primarily in the power transmission, telecommunications and wind energy sectors. The division's margins increased during the year following its restructure at the end of FY19 and its focus on larger travel tower assets. Revenue, at $26.8 million, was 8% higher than the previous year.

The rationalisation of the travel tower business delivered significant cost savings in FY20 and asset utilisation increased from the rebalanced fleet. Boom's results include an impairment charge of $1.9 million against 35 smaller and obsolete travel towers that will be auctioned in the first half of FY21. Further rationalisation of the travel towers business occurred with the closure of the underperforming Newcastle depot from 1 July 2020.

100
travel towers,
from 12 metres
up to 70 metres

CASE STUDY

Western Australia: Boom powers on in the North West

Boom's project footprint in Western Australia was consolidated last year with works supporting the construction of power transmission lines north of Perth. This has provided the opportunity for Boom to showcase its expertise on a larger project.

The company has now been contracted to provide the travel towers for the completion of a 220kv transmission line running between mines in the Pilbara region of Western Australia. Our service includes the supply of six Bronto travel towers and specialised labour. This major infrastructure project is anticipated to run for up to 12 months.

These projects in the North West illustrate our progression into high demand regions across Australia where we are increasing our profile and winning project work. We have a proven track record of delivering critical infrastructure projects in remote regions and the supply of specialised resources and assets to the utilities and resources sectors.

Growth is expected to continue in the telecommunications and power utility sectors. Solid business volumes in the telecommunications market are forecast to continue, with potential for more high voltage line stringing and interconnector work over the next five years, largely due to the increase in renewable energy projects and upgrades to the electricity grid.

Boom Projects

Boom's participation in wind farm, bridge installation, infrastructure and construction projects continues to grow. These are high-growth markets, with revenue from the sectors contributing $38.0 million, an 8% increase on FY19.

Our Queensland wind farm project at Coopers Gap progressed well throughout the year and we were awarded additional work through to May 2020. This generated an additional $6 million of revenue for the financial year.

Unfortunately, we experienced material changes, including major delays, to the Cattle Hill wind farm contract in Tasmania. The delays were caused by extreme weather conditions which resulted in lower productivity and this led to project cost increases and losses. We are actively pursuing unresolved claims for costs.

The experience with Cattle Hill has changed our approach to contracting and pricing future construction projects. We have taken steps to add further due diligence to our contract review process. We have solid wind farm project

bookings through the first half of FY21, which are based on an equipment hire and labour rate model for services performed.

We are targeting large civil infrastructure work around the capital cities, such as rail works and level crossing removals in Melbourne, as well as large bridge and tunnel boring projects. The larger cranes in our fleet also assist in national wind farm maintenance work, which is increasing across the sector.

This business unit will benefit from a contract for work on the Parramatta light rail infrastructure project expected to commence in the first quarter and the recently signed contract to support work on the Snowy 2.0 project, which commenced in August 2020.

COVID-19 Response

We responded rapidly to the emerging COVID-19 pandemic in line with advice from the Government and World Health Organisation. This included working closely with customers to ensure all health requirements were met, while we developed an action plan to keep our people safe and manage impacts on our business.

We were early to implement travel restrictions in March and introduced stricter cleaning processes. This required sourcing cleaning and sanitation products, establishing social distancing protocols and introducing thermal scanning devices to conduct temperature checks at depots.

CASE STUDY

Infrastructure projects

Boom is working on a number of important infrastructure projects across Australia. Projects over the last year have included work on the Albion Bypass project south of Wollongong in New South Wales and rail level crossing removals in the Melbourne metropolitan area.

Boom is a market leader in complex engineered lifts with a reputation for working safely to tight timelines, providing lift planning expertise and specialised lifting equipment. Our Liebherr LTM-1750 hydraulic cranes, with 750 tonne lifting capacity, are perfectly suited to infrastructure projects which regularly involve a long lift radius and heavy loads.

In early 2020, Boom crews worked on three level crossing removals at Pakenham, Lyndhurst and Cheltenham in Melbourne, Victoria.

A key advantage of Boom's choice of the LTM-1750 for these projects is its broad capability across configurations which enables placement of 60 tonne girders with the crane positioned outside the rail line. This means the crane can be set up and ready to lift before the rail line is closed.

The company's 750 tonne mobile hydraulic cranes are servicing customers across Australia in mining and wind farms as well as infrastructure projects.

The company made a number of decisions to preserve cash, introducing additional cost controls to minimise expenditure. Major suppliers were approached to extend credit terms and employees were directed to take leave during the last quarter.

Outlook

While challenges lie ahead, Boom is in a stable position for FY21, with strong cash flows, conservative net debt and a solid balance sheet.

We are well placed to take advantage of new revenue opportunities, such as expanding services in mining maintenance and entering new growth regions such as Western Australia's north-west iron ore market.

The infrastructure and construction sectors look positive with solid opportunities in the pipeline across Australia. There is considerable potential for travel towers to assist with increasing power infrastructure and telecommunications work, and recurring revenue streams from the wind farm sector.

The impact of COVID-19 remains a challenge in some areas. It has disrupted our operations with border closures affecting travel between regions, temporary delays in infrastructure, wind farm projects and mining maintenance work. There is a degree of uncertainty surrounding the pandemic and we are actively monitoring the situation.

I would like to take this opportunity to thank all our customers, suppliers, debt providers and shareholders who have supported us through this past challenging financial year.

In conclusion, I would also like to thank and acknowledge the efforts of our people, who have shown dedication and remained focused on safety in the face of the pandemic. We have loyal and committed employees who are key to Boom's success.

Tony Spassopoulos
Managing Director

27 August 2020

The Boom values are an uncompromising foundation of our organisation, guiding our decisions, our behaviours and the way we do business to maximise returns for our shareholders.

OUR VALUE PROPOSITION

As a large-scale lifting specialist, we seek to deliver innovation for our customers, build shareholder value and ensure safety excellence. We continue to build our leading reputation in the market as a trusted lifting, construction and maintenance solutions partner. Boom's customer value proposition is based on total lifting solutions and specialised labour services.

EQUIPMENT

- A comprehensive and diverse fleet aligned to customer requirements in mining and resources, wind, energy, utilities, infrastructure, industrial maintenance and telecommunications.
- Well maintained fleet with maintenance records and Key Performance Indicator reporting for customers.

OPERATIONAL CAPABILITY

- Highly experienced and trained workforce of supervisors, crane operators, riggers and travel tower operators.
- Operational resources and infrastructure to support customers in our core markets.
- Planned and configured services involving operators, cranes, transport, travel towers and other assets to meet complex customer requirements.
- The *readi* labour hire business delivers an integrated labour solution to both existing and new customers. It currently supplies support to key Boom contracts and continues to focus on expanding its offering of multiple trades and skills to external customers.

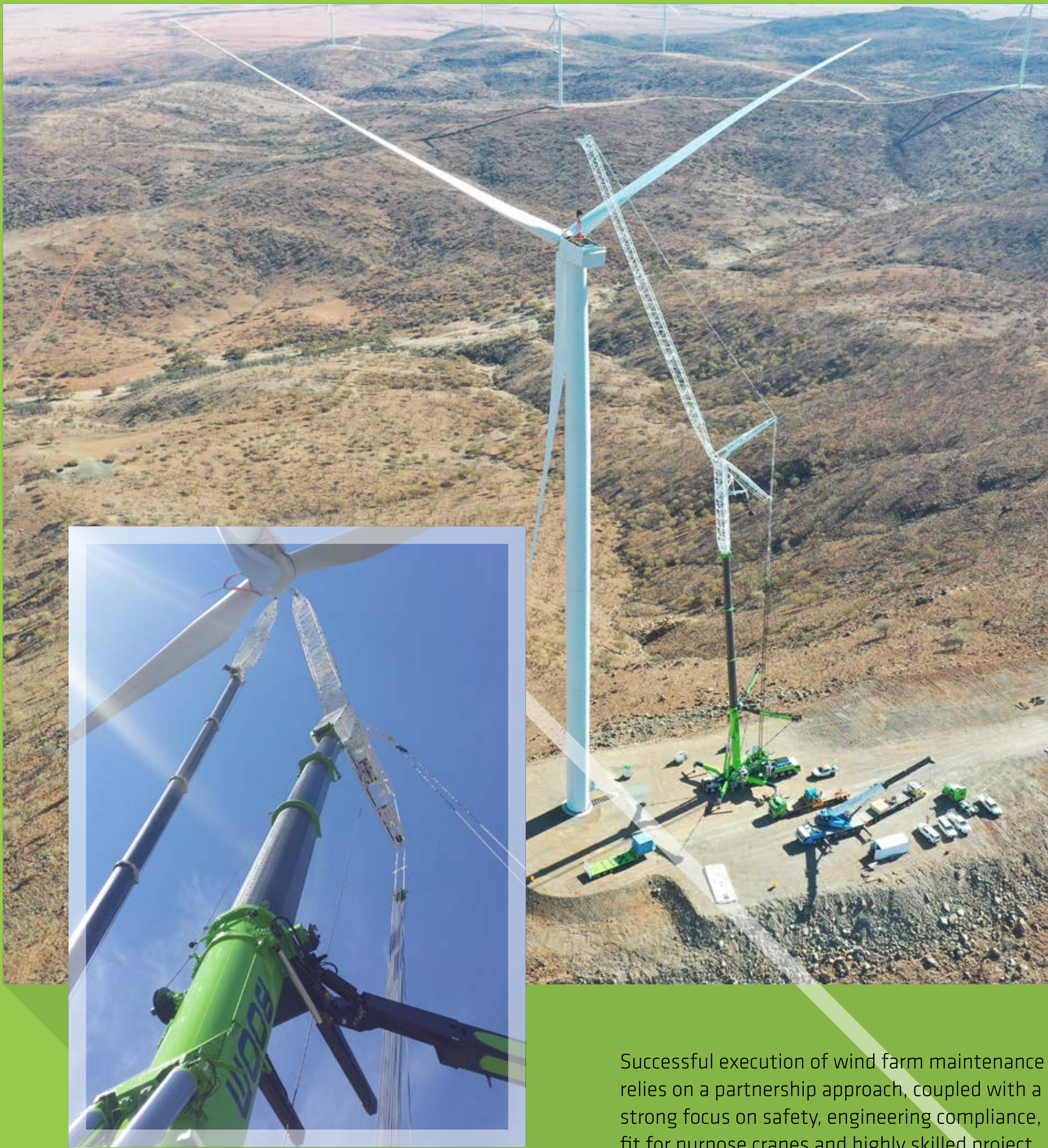
ENGINEERING EXPERTISE

- Pre-lift customer site survey and analysis.
- Detailed engineering lift studies to drive safety, efficiency and cost effectiveness.
- Project planning and project management.
- Wind farm construction including lifting, mechanical and electrical installation and maintenance.

SAFETY & QUALITY SYSTEMS

- Cultural alignment with our customer base, with an uncompromising safety focus.
- AS/NZS ISO 4801:2001 certification and transition to AS/NZS ISO 9001:2015 achieved.
- Investment to drive continuous improvement in our safety systems, processes and organisation.

The Group's distinctive and comprehensive value proposition provides a solid platform for future growth to maximise returns to shareholders.



CASE STUDY

Powering ahead with wind farm maintenance

Boom is increasingly engaged to perform wind farm maintenance works in addition to our engineering and construction activities in the wind renewables sector. Over the past 12 months Boom has performed maintenance work across a number of wind farms.

The renewables team has been collaborating with our wind farm customers to provide engineering advice, perform critical maintenance and major component change outs on wind farms across Australia.

Successful execution of wind farm maintenance relies on a partnership approach, coupled with a strong focus on safety, engineering compliance, fit for purpose cranes and highly skilled project teams. Boom is a trusted supplier to many of the world's leading wind turbine manufacturers.

Often under challenging weather conditions and at heights above 100 metres, our maintenance activities include removal and replacement of gear boxes, generators and blades. Boom also provides a range of travel towers and resources to support tower maintenance.

In the main pictured lift, Boom cranes and personnel removed a nacelle lid and completed a gear box exchange at a height of 110 metres, with a total under hook weight of 32.6 tonnes.

We continue to expand and diversify our service model to deliver scheduled wind farm maintenance programs.

OPERATING AND FINANCIAL REVIEW

Overview

The Group reported a net loss after tax of $17.0 million for the year ended 30 June 2020 (FY19: net loss after tax of $5.3 million). Operating cash flow was strong in the year, delivering cash flow from operations of $28.8 million. The results for the year were disappointing with strong results in some segments overshadowed by the continued financial impact of a loss-making wind farm construction project in Tasmania, which completed in March 2020. Since the outbreak of COVID-19, deferrals in mining maintenance and shutdown programs and delays to infrastructure and wind farm projects also impacted results. The Group was nevertheless able to generate strong cash flows that enabled a material reduction in net debt over the year. Boom retained its focus on capital management with efficient equipment sourcing to match commitments with contracted businesses.

Income Statement

The FY20 year saw the adoption of the AASB16: Leases accounting standard that has had a material impact on the Group's reported numbers. For ease of comparison to the prior year the statutory reported numbers have been reconciled to a directly comparable (pre AASB16) number to the prior year (which is not restated for the impact of AASB16).

	30-Jun-20 $'m		30-Jun-20 $'m	30-Jun-19 $'m
	Statutory	AASB16 ADJ	Pre AASB16 Like-for-Like	
Revenue	185.5	0.7	186.2	182.7
Operating Costs	(156.1)	(16.8)	(172.9)	(162.6)
Trading EBITDA	**29.4**	**(16.1)**	**13.3**	**20.1**
Depreciation	(31.9)	15.2	(16.7)	(17.3)
Trading EBIT	**(2.5)**	**(0.9)**	**(3.4)**	**2.8**
Net Borrowing Costs	(4.4)	1.4	(3.0)	(3.7)
Trading Net Loss Before Tax	**(6.9)**	**0.5**	**(6.4)**	**(0.9)**
Non-Trading Income	0.0	0.0	0.0	1.6
Non-Trading Expenses	(4.1)	(0.1)	(4.2)	(2.0)
Profit/(Loss) on Sale of Assets	0.4	0.0	0.4	(2.0)
Impairment to Property, Plant and Equipment	(1.9)	0.1	(1.8)	(2.0)
Net Loss Before Tax	**(12.5)**	**0.5**	**(12.0)**	**(5.3)**
Net Loss After Tax	**(17.0)**	**0.5**	**(16.5)**	**(5.3)**
Statutory EBIT	(8.1)	(0.9)	(9.0)	(1.6)
Statutory EBITDA	23.8	(16.1)	7.7	15.7

Financial Performance

Revenue

Reported revenue of $185.5 million (FY19: $182.7 million) was marginally up on the prior year with Boom delivering strong revenue growth in the wind, energy and utilities sector from wind farm construction and maintenance projects and a growing portfolio of work in power projects. The mining and resources sector remained steady. The telecommunications sector was affected by bush fires. Industrial maintenance was impacted later in the year by the COVID-19 pandemic. Revenue in the infrastructure and construction segment decreased as a result of assets being deployed to wind, energy and utility projects during the first half of the year with project delays then being experienced throughout the last quarter.

Earnings

Statutory earnings before interest expense, tax, depreciation and amortisation (EBITDA) was $23.8 million (FY20 on a pre AASB16 like for like basis: $7.7 million; FY19: $15.7 million). Statutory earnings before interest expense and tax (EBIT) was a loss of $8.1 million (FY20 on a pre AASB16, like for like basis: loss of $9.0 million ;FY19: loss of $1.6 million).

In terms of trading EBIT the Group reported a trading EBIT loss of $2.5 million for FY20 (FY20 trading EBIT loss of $3.4 million on a pre AASB16, like for like basis) compared with trading EBIT of $2.8 million in the prior year.

Trading EBIT is before recognising the following non-trading expenses:

- Non-trading expenses of $4.1 million comprising:
    - $2.7 million relating to an onerous wind farm construction project. The contract has completed with post contract negotiations now occurring to resolve outstanding claims in dispute.
    - $0.8 million of redundancy costs in relation to a reduction in support roles, largely in the corporate head office in addition to redundancies in the underperforming NSW business and the now closed Newcastle travel tower depot.
    - $0.6 million relating to insurance excess payable following damage incurred to equipment.
- Impairment expense of $1.9 million comprising:
    - $1.8 million to the carrying value of 35 underutilised small capacity travel towers and 25 pieces of access equipment that have been identified as surplus to requirements and available for immediate sale.
    - $0.1 million relating to the onerous lease on the property lease for the now closed Newcastle travel tower depot.
- Profit on sale of $0.4 million relating to the sale of a number of redundant crane, transport and ancillary assets during the year.

Taxation

A tax expense of $4.45 million was incurred in FY20 (FY19: $nil) relating to a historic franking deficit tax liability that was allowed to crystallise at 30 June 2020. The company has negotiated an interest free repayment plan with the ATO that will allow the liability to be settled progressively over 24 monthly instalments, commencing in August 2020.

The amount of franking deficit tax to be paid is not a penalty and may be used against any future tax liability (in addition to the income tax losses carried by the company).

FY20 Review of Operations

A number of businesses within the Group had solid results for the year:

- **Central Queensland** – the customer base in the region is predominantly metallurgical coal and demand for services was strong. Boom continued to grow revenue and profit. The Group renewed a 3 year contract with a major customer in the region and extended its customer base through expanding operations to new mines and working with contractors on site. Outlook remains positive in the area and the Group will continue to grow operations by expanding its customer footprint into the Moranbah region.
- **Western Australia** – the first half of FY20 was slow but significant momentum was gained in the second half of the year following a change of local leadership and a reinvigoration of the business development resource. Profitable project work was won across the south west and a new maintenance contract was secured. The new contract will add 'base recurring revenue' to the existing major contracts in the south west of the state.

14
Depots across Australia

The COVID-19 restrictions did however cause the Group to delay its planned expansion into the north-west as the movement of workers and equipment became constrained. The Group is however well advanced in its preparations and will commence operation in and around Port Hedland in the first quarter of FY21.

- Travel Towers – the restructured national travel towers business had a much improved year. The business benefitted from its reduced cost base and increased focus on business development. Significant new work was won during the year in the electricity power sector. Demand grew for assets to work on major grid upgrade projects and work connecting new renewable energy sites back to substations. This new work was an important supplement to the on-going work in the telecommunications sector that remains a focus for the business as the 5G network is rolled out.

  Continued improvement from the business is expected in FY21 in the power and telecom sectors using the larger capacity assets. The fleet will be further divested of smaller assets to rationalise costs and allow the business to focus on its core markets. As such the Newcastle depot has closed (following the closure of the Newcastle crane depot in FY19). In addition 35 underutilised smaller assets across the business have been identified for sale. A $1.8 million impairment charge was recognised against these assets at 30 June 2020 as they were moved into assets held for sale. The sale of these assets will reduce on-going running costs and further improve the return on capital generated by the business.

- Coopers Gap wind farm construction project – work was successfully completed on the 123 turbine Coopers Gap wind farm. Boom successfully completed the main installation of 82 of the turbines and completed the electrical and mechanical scope on 62 of the towers.

Net debt down to

$19.6m

Unfortunately these results were offset by disappointing outcomes elsewhere:

- Cattle Hill wind farm construction project – in contrast to other wind farm construction projects completed, this project located in remote Tasmania was beset with issues. Inclement weather and site delays, difficulty maintaining skilled crews and construction challenges, all impacted the project. A reduction in project scope and a requirement for additional night crews to complete the project resulted in a significant EBIT loss of circa $7.5 million in the year.

  This project had a significant negative financial impact on the year. The loss making Cattle Hill wind farm project led the company to strengthen its risk management procedures and contract review processes.

  The outlook for the wind farm business remains strong. Boom is contracted to a wind farm construction project in the first half of FY21 working on a schedule of rates rather than a fixed sum and the project pipeline remains solid. The Group is also increasingly turning its focus to the wind farm maintenance market and increasing the number of services it provides in this growing sector.

- **New South Wales** – the business in the Hunter Valley was slow to return after a period of industrial disruption in FY19. The customer base was slower to come back than expected and some clients were lost following the closure of the unprofitable Newcastle crane business in FY19. The Group did begin work for a major new customer in the Hunter Valley during the second half of FY20. The thermal coal market however remains very competitive with tight margins.

- **Project delays** – the second half of the year was affected by a number of project delays that impacted the reported results for FY20. A major wind farm construction project that was expected to commence around March 2020 was delayed. The infrastructure project that was scheduled for the Group's 750t crawler crane was also delayed until the 2021 calendar year.

  Whilst the timing of certain projects remains uncertain the outlook for FY21 has strengthened. The Group has secured work on the Snowy 2.0 project commencing mid August and the pipeline of work in the infrastructure sector is strengthening.

Cash Flow

Cash flow was strong in the year delivering cash flow from operations of $28.8 million. FY20 cash from operations on a like for like basis (pre AASB16) was $16.4 million (FY19: $13.2 million). This is a very strong cash flow result reflecting sound working capital management and a positive response to the challenges posed by the economic uncertainty in the latter part of FY20.

The Group responded proactively and quickly to preserve cash as the uncertainty created by the COVID-19 situation emerged. The executive and the Board reduced their remuneration for the fourth quarter of FY20, the Group renegotiated extended payment terms with major suppliers, deferred rental payments on some depot leases and crane assets and deferred eligible payroll tax payments. Consequently there is circa $1.6 million of cash deferrals in the FY20 cash flow that will need to be paid through FY21.

In addition the Group elected to crystallise the franking deficit liability by not prepaying a tax instalment of $4.45 million by 30 June 2020 as it has historically been required to do. Capital expenditure remained restrained during the year with investment in new crane assets being made via the flexible rental model. Capital expenditure of $2.2 million was limited to routine ten year inspections of equipment and sundry support assets. Proceeds on the sale of equipment were realised from the sale of a number of obsolete older crane and transport assets realising proceeds of $4.6 million at a profit on sale of $0.4 million. The Group also expects to realise circa $3 million in the first half of FY21 from the disposal of assets identified as held for sale at 30 June 2020.

The resulting free cash flow of $18.8 million on a like for like basis (pre AASB16) compared favourably to free cash of $8.8 million generated in FY19.

Surplus cash generated was primarily applied to debt reduction in the period.

Capital Management

The Group adopted a prudent approach to capital management given the uncertain economic environment.

In the first half of the year the Group purchased 11.4 million shares for a consideration of $1.7 million under the on-market share buy back program. In total 47.1 million shares were acquired and cancelled over the course of FY19 and FY20, comprising a total of 10% of the share capital of the company.

$28.8m

Cashflow from operations

With the buy back program completed, at the half year, the Board resolved to pay a 0.5 cent per share dividend to shareholders on the register at 31 March 2020. With the COVID-19 situation developing the Board subsequently made the decision to defer the payment date of the dividend from 21 April 2020 to 2 October 2020. The decision was considered prudent to preserve cash in what was an unprecedented and fast developing situation.

The focus on the second half of the year was cash preservation and debt reduction. The Group's net debt position has been successfully reduced to $19.6 million on a like for like basis (FY19: $36.6 million) and Gearing (net debt/ equity) has reduced to 17% (FY19: 27%). Allowing for the additional lease liabilities recognised in accordance with AASB 16, the Group's balance sheet gearing ratio was 34%.

Given the on-going COVID-19 situation the Group will defer any decision with regard to any capital management initiative until later in the year when the economic outlook is clearer. The Group remains focussed on tight capital management and placing the Group in the best possible position for growth as the economy recovers and confidence returns.

Balance Sheet

Net assets at 30 June 2020 were $115.3 million down from $133.9 million at 30 June 2019.

Return on capital employed (trading EBIT/ capital employed) was negative 1.4% compared with 1.5% return in the prior year. The Group expects a significant improvement in returns in FY21 as a result of improving profitability following completion of the loss making wind farm contract in FY20, further rationalisation of obsolete smaller travel towers and the continued use of the Group's asset rental model.

The use of the asset rental model will continue to reduce the requirement for capital expenditure, protect free cash flow and enable the Group to retain a conservatively geared balance sheet. This will enable the Group to be in a position to capitalise on profitable growth opportunities as they arise in FY21.

Operating Environment

The operating environment was impacted by COVID-19 across all the Group's key industry sectors.

Mining and Resources

Revenue in mining and resources was marginally down by $0.8 million on the prior year. The results from the sector were mixed. Strong growth was experienced from metallurgical coal customers in Queensland. Increased volumes were also realised from work performed for other contractors on customer sites which improved returns from assets. The continued growth of the Queensland business was pleasing with further opportunities in the Moranbah market expected for FY21.

The growth in Queensland was offset by a reduction in demand from thermal coal customers in the Hunter Valley in NSW. This remains a challenging market with high labour costs and tight margins and accounts for circa 8% of Boom revenues. Work with a major new customer in the region commenced in the second half of FY20.

Revenue from Boom's long term contract at Olympic Dam in South Australia reduced in the second half of the year as border closures and restrictions on FIFO workers impacted Boom's operations at the site. Volumes are expected to return to normal levels as COVID-19 restrictions ease.

Revenue from the Group's major maintenance contracts in the south west of WA were also impacted by COVID-19 restrictions with shutdown programs decreasing in size and cost cutting being undertaken by customers. These decreases were offset by the success in winning a new customer maintenance contract to build scale to the operation.

FY20 results were impacted by the delay to the Group's planned expansion back into the north-west which was delayed due to COVID-19 travel restrictions. This is now expected to occur in FY21 as the Group returns to the important iron ore market.

The Group continued its success in tenders in the sector by renewing the major Queensland and NSW Glencore contract for a further three years, commenced work at a major new customer in Hunter Valley and won a new maintenance contract in WA.

Wind, Energy and Utilities

Significant revenue growth of $14.2 million was experienced in this sector in FY20. Growth in this sector is a key part of diversifying group revenue. Key sources of revenue growth were:

- Completion of two major wind farm construction projects;
- Growing revenue base from the increasing wind farm maintenance market;
- Growing revenue from electricity grid upgrade projects and high voltage line stringing projects – principally using the Group's travel tower assets.

The Group is contracted to a wind farm construction project in the first half of FY21 working on a schedule of rates and has a number of opportunities for the second half. Growth in wind farm maintenance work will also be a focus.

The travel tower division has worked hard to diversify its revenue base and is increasingly winning work on electricity power projects. The Group will have a number of large assets deployed to the north-west throughout FY21 working on a major power line project in the region.

Infrastructure and Construction

Revenue in this sector was down $6.5 million being impacted by COVID-19 related delays in the fourth quarter and a greater utilisation of the assets on wind farm work in the first half of the year. The NSW infrastructure market was subdued in the second half of the year and several major projects were delayed. This was partially offset by work commencing in the Melbourne market which will remain a focus in FY21 with level crossing removals and civil infrastructure projects.

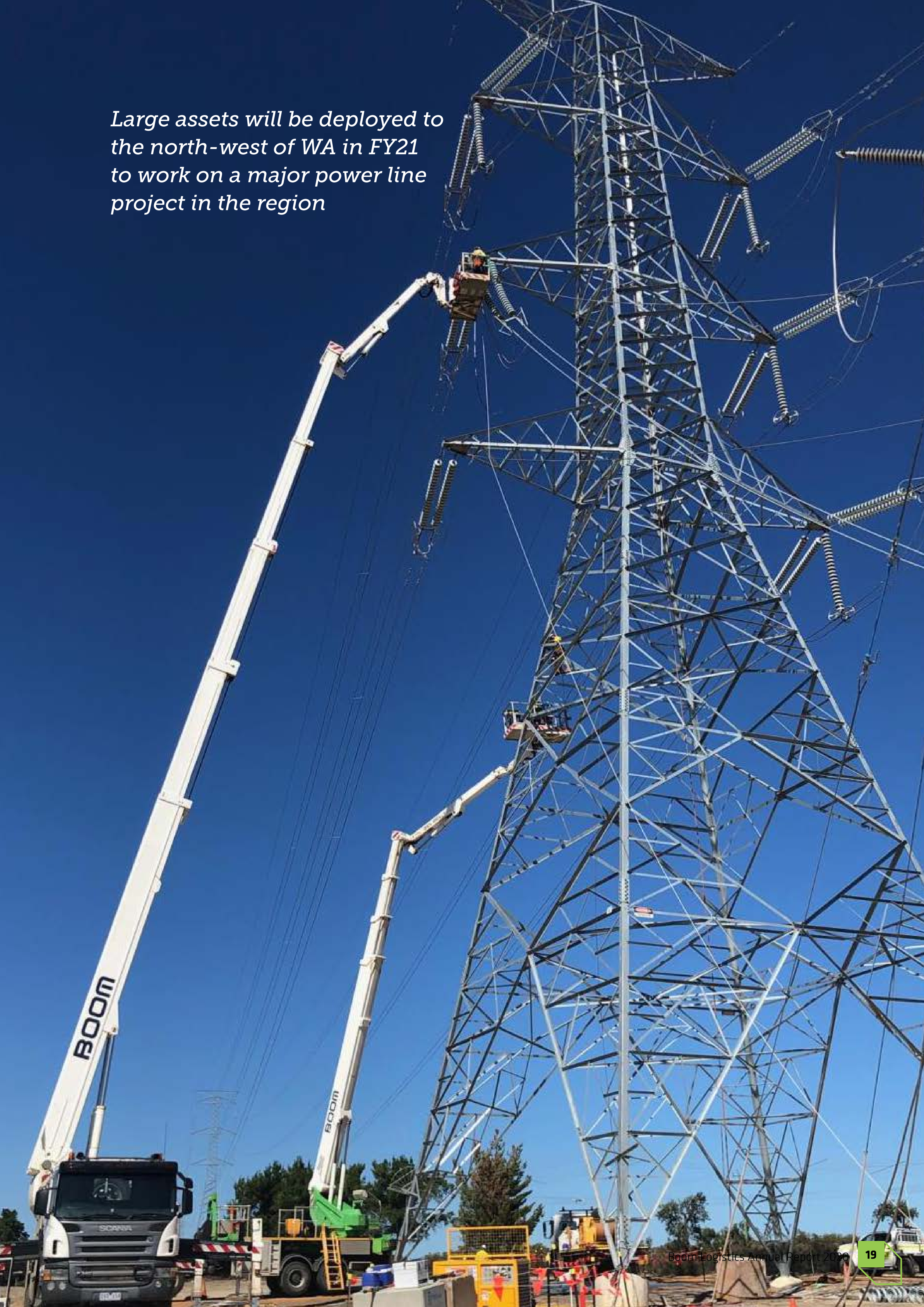
The sector is improving with the Snowy 2.0 project contracted for the first half of the year commencing August 2020 and additional works on NSW and Victorian infrastructure projects targeted. The speed of recovery in this segment is however somewhat dependent on the COVID-19 outlook and resulting confidence in supply chains and project commencement dates being confirmed.

Industrial Maintenance

Revenue in this sector was down $2.7 million partly due to the non-repeat of a major shutdown in the first half of the prior year by a customer in the Latrobe Valley and partly due to a general slow down in the sector over the second half of the year. The Group's revenue from the Esso offshore contract was particularly decreased as social distancing requirements reduced the labour required to service the contract throughout the second half.

Telecommunications

Revenue in this sector decreased by $1.3 million. The telecommunication market is serviced mainly by the travel tower business and is an important revenue base for the business. Activity has remained solid outside of this time with 5G upgrades continuing across the network.



Large assets will be deployed to the north-west of WA in FY21 to work on a major power line project in the region

HEALTH, SAFETY, ENVIRONMENT AND QUALITY

Our HSEQ Goals

Boom's three year HSEQ strategic plan sets out the following goals for the company:

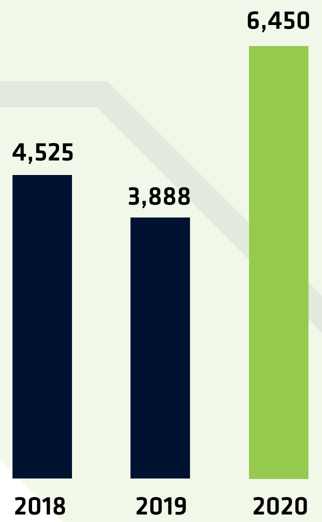
- To exceed client and other stakeholders' HSEQ expectations by consistently providing benchmarked high quality and incident free services.
- To establish a positive and proactive safety culture with well-trained and competent people who demonstrate Boom's values and exceptional safety leadership.
- To continue to develop and use excellent HSEQ processes and systems.
- To uphold best practice environmental standards.

Highlights

- Boom reported a Total Recordable Injury Frequency Rate (TRIFR) of 8.0 at the end of FY20.
- Boom personnel completed a Certificate IV Leadership and Management and Training course from a range of positions and vocations across the organisation.
- The company completed a National Safety Reset for all staff, including a refresher on Boom's Lifesaving Rules and a review of all significant incidents within the business and the industry at large.
- Following a safety re-set, there was a 65% increase in the Safe Act Observation Frequency Rate (SAOFR) performance to 6,450 from 3,888 in the prior year.
- The company maintained safety standard certifications for AS/NZS 4801:2001, OHSAS 18001:2007 and ASNZS ISO 9001:2015. Boom is transitioning to the new international safety standard ISO 45001.
- Compliance with environmental management obligations continues.

Total Recordable Injury Frequency Rate (TRIFR)

Safe Act Observation Frequency Rate (SAOFR)



Safety Leadership Structure

The company takes a four-tiered approach to safety leadership:

Health, Safety, Environment & Quality (HSEQ) Committee

The HSEQ Committee, a sub-committee of the Board, meets quarterly and considers all aspects of Boom's safety environment. A summary of the committee's responsibilities is set out in the Corporate Governance Statement.

Safety Leadership Team (SLT)

The Safety Leadership Team is chaired by Boom's Chief Executive Officer and includes the General Managers from each business unit, senior management and the HSEQ leadership team.

The SLT prioritises and monitors the safety environment and safety improvement activities. The SLT is supported by the Safety Management Team of safety professionals who operate nationally.

Personal Commitment

All operational managers commit to a range of consultative and interactive activities which reinforce their personal commitment and our corporate commitment to Health and Safety.

Training

Boom's operational training program contains a significant safety leadership element for frontline supervisory personnel and management which works to embed good workplace safety as an operational discipline. The training emphasises the importance of sustained and visible leadership through employee engagement and safety interactions.

Key metrics are measured and recorded in the corporate HSEQ management database and included in the monthly HSEQ Report to the Board.

Measurable activities include:

- Safe Act Observations and Safety Interactions which are an informal risk management and assurance activity which generates positive safety-related discussions with employees in the field.
- HSEQ Internal Audits, which include consultation and discussion with employees.
- Involvement in consultative meetings (such as Safety Committees), delivering toolbox talks and pre-start meetings.

Safety

Boom's safety performance continues to be a key operational focus, with emphasis on risk management, leadership and assurance. Our goal is to ensure employees, customers and the general public are free from harm when delivering lifting solutions in complex and diverse operating environments.

The company's ongoing emphasis on safety leadership, best practice safety systems and "Safety Always" culture builds confidence and trust with our customers and employees around the predictable, reliable and consistent delivery of high value lifting solutions.

The focus of the three-year HSEQ Strategic Plans (2018-2020) is on leadership, assurance and employee wellbeing. The "One BOOM" HSEQ Management System continues to be developed and enhanced.

The HSEQ Strategic Plan actions include:

- System improvements in the areas of lifting operations, verification of competency, training, assurance, inductions and transport.
- A cultural improvement and leadership program consistent with Boom's belief that excellent leadership improves all aspects of our business including HSEQ performance.
- A wellbeing program aimed at improving and maintaining the health of employees.
- Review of the Boom approach to sustainability and community.
- Review of the existing maintenance system documentation.
- Improved use of the hazard module in the myosh incident management software.

Environment

Boom continues to meet its legal and community obligations in environmental management. We comply with the National Greenhouse and Energy Reporting Act 2007.

- Boom's environmental impact is managed through procedures mostly directed at waste management. Disposal of waste oil, batteries and tyres is undertaken by licensed disposal agents.
- Boom has procedures and equipment to manage runoff and spills. Onsite work is conducted in accordance with client procedures and regulations.
- Energy usage minimisation initiatives are in place.
- The current three-year HSEQ Strategic Plan includes a review to ensure Boom meets the expectations of ISO14001, but there is currently no plan to be certified to this standard.

Quality

The Company has continued Certification to AS/NZS ISO 9001:2015.

SYSTEM CERTIFICATION OHSAS 18001 SGS

SYSTEM CERTIFICATION AS 4801 SGS

SYSTEM CERTIFICATION ISO 9001 SGS

OUR PEOPLE AND SYSTEMS

Boom continues to invest in our people to deliver efficiencies and develop leadership across the business.

Boom's total workforce exceeded 1,100 during FY20. We have 398 permanent employees, 80% of whom directly provide services to customers – including operators, supervisors, safety professionals, engineers and sales personnel, while the remainder comprise management and functional support to the business.

Our flexible workforce of over 700 employees engaged through readi during the year enabled the company to provide a workforce for projects and maintenance shutdowns for our clients.

1,100

Employees. 398 permanent and 700 flexible workforce

A vital element of our company culture and drive for responsible growth is ensuring that Boom is a great and safe place to work. We recognise and reward performance, create opportunities for our staff to develop and provide support so they continue to thrive.

Boom recognises that people are critical to its success and continues to invest to deliver efficiencies and develop leadership capability across the organisation through internal and external training and development activities. Our workforce is well-trained and on-boarded so all employees work in a safe and professional manner to the standard and expectations of Boom and its customers.

The company invests in the development of its business leaders to maximise their management potential. Training and development of operational staff ensures operating tickets are maintained, safety standards are upheld, customer site inductions are current and verification of competency is undertaken to meet the needs of our customers.

Indigenous Program

We recognise the traditional rights of Indigenous peoples and acknowledge their right to maintain their cultures, identities, traditions and customs.

Boom will continue to support communities and its customers in developing Indigenous programs in remote locations of Australia. Our National Indigenous Employment Framework provides a basis for localised strategies to generate work opportunities and support Indigenous communities.

Training and Development

Through the year, we continued to provide Certificate IV Leadership and Management training to employees across the business. The program provided practical skills to develop strong and effective leaders for the future covering subjects including safety, client engagement, business processes and leadership.

Boom's e-Learning Centre provides on-line induction and on-boarding through its Life Saving Rules and Compliance training. Our Employee Survey invites employees to provide candid feedback on their experience in the workplace.

BOARD OF DIRECTORS AND KEY MANAGEMENT TEAM

Maxwell John Findlay

BEcon, FAICD (Independent, Non-executive Chairperson) (appointed 18 July 2016)

Mr. Findlay was Managing Director and Chief Executive of industrial services company Programmed Group from 1990 until his retirement from executive life in 2008. Since retiring as an executive, Mr. Findlay has engaged in various non-executive roles in industrial services, engineering and government. He is currently Chairman of the Snowy Mountains Engineering Corporation and was previously Director of EVZ Limited and The Royal Children's Hospital. During the past three years, Mr. Findlay has held ASX listed public company Directorship with EVZ Limited (2008 to 2017). Mr. Findlay is Chairperson of the Boom Logistics Risk Committee.

Tony Spassopoulos

BBus (Management), MBA (Managing Director) (appointed 20 September 2018)

Mr. Spassopoulos has over 30 years experience in the equipment hire, industrial services, and the pallet/container pooling industries. Prior to joining the Company, Mr. Spassopoulos was Director/General Manager of CHEP Asia Pacific – Reusable Plastics Containers business and held other senior management positions during his 19 years in the Brambles Group. He joined the Company in 2008 and served as Director of Sales and Marketing and more recently Chief Operating Officer prior to his appointment as Managing Director. During the past three years, Mr. Spassopoulos has not held any other ASX listed public company Directorships.

Melanie Jayne Allibon

MAICD (Independent, Non-executive Director) (appointed 19 June 2019)

Ms. Allibon has an extensive background in human resources and operating risk, primarily in the manufacturing, FMCG, mining and industrial services sectors. Ms. Allibon has held Non-executive Director positions with the Australian Mines and Metals Association, Melbourne Water Corporation. She is currently a member of World Vision's Business Advisory Council, Chief Executive Women and the International Women's Forum. Since the date of appointment, Ms. Allibon has not held any other ASX listed public company Directorships. Ms. Allibon is Chairperson of the Boom Logistics Nomination & Remuneration Committee.

Jean-Pierre Buijtels

MSc (International Business) (Non-independent, Non-executive Director) (appointed 2 June 2017)

Mr. Buijtels is the portfolio manager of Gran Fondo Capital, a Dutch mutual fund. He is also involved in private equity investments at Strikwerda Investments. Since 2007 he has been investing in private equity and public equity at 3i, Gimv and Strikwerda Investments. He has been involved at board level at several companies, currently as observer at Constellation Software Netherlands Holding Coöperatief U.A (a subsidiary of Constellation Software Inc. and the indirect owner of Total Specific Solutions). During the past three years, Mr. Buijtels has not held any other ASX listed public company Directorships.

Terrence Charles Francis

DBus (hon. causa), BE (Civil), MBA, FIE Aust, FAICD, FFin (Independent, Non-executive Director) (appointed 13 January 2005)

Mr. Francis has over 20 years experience as a Non-executive Director of infrastructure development companies including Infrastructure Specialist Asset Management Limited, NBN Limited, Southern and Eastern Integrated Transport Authority, Emergency Services Telecommunications Authority. He also advises business and government on infrastructure development. Previously Mr. Francis was Executive Director of Deutsche Bank Australia, and Chief Executive Officer of Bank of America in Australia. During the past three years, Mr. Francis has not held any other ASX listed public company Directorships. Mr. Francis is Chairperson of the Boom Logistics Audit Committee.

Terence Alexander Hebiton

(Independent, Non-executive Director) (appointed 22 December 2000)

Mr. Hebiton commenced his commercial career in the rural sector. In 1989, he acquired various business interests associated with land and property rental developments. He is currently a Director of a number of private companies. He was a principal of Alpha Crane Hire, one of the founding entities of Boom Logistics. Mr. Hebiton was the CEO of Boom Logistics at its formation and ceased being an Executive Director in 2004. During the past three years, Mr. Hebiton has not held any other ASX listed public company Directorships. Mr. Hebiton is Chairperson of the Health, Safety, Environment & Quality Committee.

Tim Rogers

Chief Financial Officer, MArts (Hons) (Economics & Law) MPhil

Tim joined BOOM in July 2015. Prior to joining BOOM, Tim was the Group Chief Financial Officer for Crowe Horwath. An ASX listed Company with over 100 office locations, Crowe Horwath is the 5th largest accounting services group in Australasia. Prior to joining Crowe Horwath, Tim was the Director of Audit & Assurance at Deloitte Touche Tomatsu. Tim has a wealth of finance and strategy experience.

Malcolm Peter Ross

BBus, LLB, LLM, GradDipACG, FGIA (appointed Company Secretary 22 September 2014)

Mr Ross joined the Company on 7 November 2011 as General Counsel and in addition to those responsibilities was appointed Company Secretary on 22 September 2014. Following admission as a solicitor in Victoria in 1997, he worked with Harwood Andrews and then Hall & Wilcox Lawyers. In 2002, he joined InterContinental Hotels Group Plc (FTSE-listed) based in Singapore where his final position was Vice-President and Associate General Counsel with responsibility for leading the legal function across Asia Australasia.

FINANCIAL REPORT

DIRECTORS' REPORT

for the year ended 30 June 2020

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 financial year ended 30 June 2020.

Directors

The Directors of the Company at any time during or since the end of the financial year are:

Maxwell John Findlay

Qualifications and biographies (see previous page).

Tony Spassopoulos

Qualifications and biographies (see previous page).

Melanie Jayne Allibon

Qualifications and biographies (see previous page).

Jean-Pierre Buijtels

Qualifications and biographies (see previous page).

Terrence Charles Francis

Qualifications and biographies (see previous page).

Terence Alexander Hebiton

Qualifications and biographies (see previous page).

Company Secretary

Malcolm Peter Ross

Qualifications and biographies (see previous page).

Directors' Interests in the Shares and Options of the Company

As at the date of this report, the interests of the Directors in the shares, rights and options of Boom Logistics Limited were:

Name	Shares	Rights	Options
M.J. Findlay	250,000	–	–
T. Spassopoulos	1,500,000	1,691,758	11,505,377
M.J. Allibon	100,000	–	–
J.J.A.M. Buijtels[a]	–	–	–
T.C. Francis	185,745	–	–
T.A. Hebiton	547,995	–	–

a Mr. Buijtels is employed by Rorema Beheer B.V., the fund manager (the **Fund Manager**) of the fund Gran Fondo Capital (the **Fund**) which holds 35,380,342 shares in Boom Logistics Limited (the Company). Mr. Buijtels' 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. Buijtels 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. Buijtels can redeem his units in the Fund against their net asset value minus redemption fee at each transaction day of the Fund. Mr. Buijtels 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.

Directors Meetings

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director was as follows:

	Board of Directors		Audit Committee		Nomination and Remuneration Committee		Health, Safety, Environment & Quality Committee		Risk Committee	
Name of director	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
M.J. Findlay	15	15	6	6	1	1	4	4	3	3
T. Spassopoulos	15	15	–	–	1	1	4	4	3	3
M.J. Allibon	15	15	–	–	1	1	4	4	3	3
J.J.A.M. Buijtels	15	15	–	–	1	1	4	4	3	3
T.C. Francis	15	15	6	5	1	1	4	4	3	3
T.A. Hebiton	15	15	6	6	1	1	4	4	3	3

Corporate Structure

Boom Logistics is a company limited by shares that is incorporated and domiciled in Australia. Boom Logistics Limited has prepared a consolidated financial report incorporating the entities that it controlled during the financial year, which are listed in note 14 to the financial statements.

Indemnification and Insurance

The Company has entered into Deeds of Access, Indemnity and Insurance with each of the Directors and the Company Secretary, under which the Company indemnifies, to the extent not precluded by law from doing so, those persons against any liability they incur in or arising out of discharging their duties. No indemnity has been granted to an auditor of the Group in their capacity as auditor.

During the financial year, the Company has paid an insurance premium for the benefit of the Directors and officers of the Company in accordance with common commercial practice. The insurance policy prohibits disclosure of the liability insured and the amount of the premium.

Nature of Operations and Principal Activities

During the year, the principal activity of the Group was the provision of lifting solutions and specialised labour services.

Operating and Financial Review

A review of Group operations and results for the financial year ended 30 June 2020 is set out in the operating and financial review section of the Annual Report and in the accompanying financial statements.

Corporate Governance

The Group recognises the need for the highest standards of corporate behaviour and accountability. The Directors of Boom Logistics have accordingly followed the recommendations set by the ASX Corporate Governance Council. For further information on corporate governance policies adopted by Boom Logistics Limited, refer to our website: www.boomlogistics.com.au/about-us/corporate-governance and annual reports.

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs other than that reported in the Operating and Financial Review section disclosed above.

Significant Events After the Balance Date

The Board resolved to pay an unfranked interim dividend of 0.5 cents per share on 26 February 2020 with a record date of 31 March 2020. The dividend payment date, originally scheduled for 21 April 2020, was deferred to 2 October 2020 as a prudent measure to preserve cash as a result of the uncertainty created by the COVID-19 situation at that time. The record date for the deferred payment remains 31 March 2020 and the estimated liability based on the number of ordinary shares on issue at that date is $2.1 million. The dividend has not been provided for in the 30 June 2020 year end financial statements.

The Group has entered into a twenty four month, interest free payment plan with the ATO to settle the franking deficit tax liability of $4.447 million that existed at balance date. The Group will make monthly instalments of $185,308 commencing on 24 August 2020 and completing on 25 July 2022.

On 2 August 2020, the Victorian government declared a state of disaster and announced stage 4 restrictions for Melbourne and stage 3 restrictions for regional Victoria. Given the dynamic nature of these circumstances, the economic impact on the Victorian economy is not known. However, as at the date of this report the impact on the Group is not expected to be material.

The Group operates a travel tower business in Melbourne which is a supplier to essential services, telecommunications and energy customers. This business has been able to continue trading during the stage 4 restrictions albeit at a reduced volume. The Group operates a business in the Latrobe Valley that has not been materially impacted by the stage 3 restrictions to date with major customers being designated as essential services allowing trading to continue at similar volumes to normal. Project work in the state has also continued under stage 3 restrictions throughout the period.

The impact of these restrictions will be reflected in the Group's 2021 interim and annual financial statements.

Likely Developments and Expected Results

The Directors expect performance to improve with an unprofitable contract completed in FY20 to be replaced with new profitable project work in FY21. The Group expects to grow its revenue and customer base in its core markets and expand its operations into the north west during FY21. The Group also maintains focus on its cost structure leading to improving margins.

The economic conditions created by COVID-19 remain a challenge. There is consequently a degree of uncertainty surrounding the pandemic and its impact. The Directors are vigilant to this and are actively monitoring the situation.

The Directors are cognisant of the requirement to continuously disclose material matters to the market. At this time, other than the matters addressed in this financial report there are no matters sufficiently advanced or at a level of certainty that would require disclosure.

Environmental Regulation and Performance

The Board confirms that the Group has adequate systems and processes in place to manage and comply with environmental regulations as they apply to the Group. This includes the National Greenhouse and Energy Reporting Act 2007 which requires the Group to report energy consumption and greenhouse gas emissions for the 12 months ended 30 June 2020 and future periods. There have been no significant known breaches of any environmental regulations to which the Group is subject.

Remuneration Report – Audited

The Directors of Boom Logistics Limited present the Remuneration Report for the Company and the Group for financial year ended 30 June 2020 ("FY20"). This report outlines the remuneration arrangements in place for non-executive directors ("NEDs") and the Managing Director and Senior Executives ("Executive KMP").

Key management personnel ("KMP") are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Company and Group.

Principles of Remuneration Practices

The Group's remuneration practices are designed to maintain alignment with business strategy, shareholder interests and business performance whilst ensuring remuneration is appropriate. The Executive KMP remuneration framework and KMP remuneration is reviewed annually by the Board with the assistance of the Nomination & Remuneration Committee.

In conducting the Executive KMP remuneration review, the following principles are applied:

- Monitoring against external competitiveness, as appropriate using independent market survey data comparing the Group's remuneration levels against industry peers in terms of comparable job size and responsibility;
- Internal equity, ensuring Executive KMP remuneration across the Group is based upon a clear view of the scope of individual positions and the respective responsibilities;
- A meaningful "at risk" component with entitlement dependent on achieving Group and individual performance targets set by the Board of Directors and aligned to the Group's strategy; and
- Reward for performance represents a balance of annual and longer term targets.

Nomination and Remuneration Committee

The Group is committed to ensuring remuneration is informed by market data and linked to the Group's strategy and performance. In doing so, the Board of Directors rely on the advice provided by the Nomination and Remuneration Committee including the review and making recommendations:

- With regard to remuneration policies applicable to the Directors, Executive KMP and employees generally;
- In relation to the remuneration of Directors and Executive KMP;
- Of general remuneration principles, including incentive schemes, bonuses and share plans that reward individual and team performance;
- With regard to termination policies and procedures for Directors and Executive KMP;
- In relation to the Group's superannuation arrangements; and

- To the Board of Directors for the inclusion of the Remuneration Report in the Group's annual report.

The Nomination and Remuneration Committee comprises a majority of independent directors. From time to time, the Nomination and Remuneration Committee also draws upon advice and market survey data from external consultants in discharging its responsibilities.

Details of Key Management Personnel

The tables below set out the KMP and their movements during FY20.

Key Management Personnel (Executive)

Name	Title	Period as a KMP
Tony Spassopoulos	Chief Executive Officer & Managing Director	All of FY20
Tim Rogers	Chief Financial Officer	All of FY20
Malcolm Ross	General Counsel & Company Secretary	All of FY20

Key Management Personnel (Non-executive Directors)

		Committees			
Name	Position[a]	Audit	Nomination & Remuneration	Health, Safety, Environment & Quality	Risk
Maxwell Findlay	Chairperson	Member	Member	Member	Chairperson
Melanie Allibon	Non-executive Director	–	Chairperson	Member	Member
Jean-Pierre Buijtels	Non-executive Director	–	Member	Member	Member
Terrence Francis	Non-executive Director	Chairperson	Member	Member	Member
Terence Hebiton	Non-executive Director	Member	Member	Chairperson	Member

a All non-executive directors are independent, except for Jean-Pierre Buijtels who is not independent.

Remuneration Arrangements of Executive Key Management Personnel

In the normal course of business, remuneration comprises fixed remuneration (fixed annual reward) and variable or "at risk" remuneration incentives. The Group's remuneration structure for the Executive KMP comprises two main components:

Fixed annual reward

This element comprises base salary, any fringe benefits (e.g. motor vehicle allowance) and employer contributed superannuation. Executive KMP have scope to vary the components that make up their FAR and can tailor their salary package to suit individual requirements.

a) Salary sacrifice rights plan

Eligible executives will be permitted to salary sacrifice a portion of their pre-tax fixed annual remuneration to acquire equity in the form of rights to fully paid ordinary shares in the Company.

Each right is a right to acquire one ordinary share in the Company. The exact number of rights to be granted is based on the amount of salary sacrificed and the 5 day volume weighted average price prior each month. Rights do not carry any dividend or voting rights. Rights will be granted twice a year following the announcement of the half-year and full-year results or in any event, within twelve months of the Annual General Meeting ("AGM"). Rights will have a twelve month exercise restriction commencing from the relevant grant dates. The rights to ordinary shares equivalent to the amount salary sacrificed in the period from the most recent grant date will be granted following the announcement of the full-year results.

Variable remuneration

The Group has a number of variable remuneration arrangements as follows:

b) Short term incentive plan

Eligible executives will have the opportunity to receive short term incentives subject to meeting performance hurdles over the financial year. 50% of the STIP outcome achieved for the financial year will be delivered in cash and 50% will be delivered in equity in the form of rights to ordinary shares in the Company.

Each right is a right to acquire one ordinary share in the Company. The exact number of rights to be granted is based on 50% of the STIP outcome divided by the 5 day volume weighted average price after the release of full year results. Rights do not carry any dividend or voting rights. Rights will be granted following the announcement of the full-year results or in any event, within twelve months of the AGM. Rights will have a six month exercise restriction commencing from the grant date.

The objectives of this plan are to:

- Focus Executive KMP on key annual business goals and reinforce the link between performance and reward;
- Allow scope to recognise exceptional performance through a sliding scale of reward;
- Encourage teamwork as well as individual performance in meeting annual goals; and
- Align reward with the Group's values.

c) Long term incentive plan

Eligible executives will be granted options to acquire ordinary shares in the Company, subject to performance hurdles and some or all may vest at the end of the three year period if the performance hurdles are met.

Each option is a right to acquire one ordinary share in the Company (or an equivalent cash amount) subject to payment of the exercise price. The exact number of options to be granted will be the LTIP award divided by the option valuation using a Binomial valuation methodology prior to grant date. The option exercise price is calculated based on the 5 day volume weighted average price prior to the grant date. Options do not carry any dividend or voting rights. Options will be granted within twelve months of the Annual General Meeting.

Options are subject to performance hurdles based on three independent measures comprising absolute earnings per share ("EPS"), return on capital employed and key safety performance metrics, which are measured at the end of the three year performance period. The Board of Directors retains a discretion to adjust the performance hurdles as required to ensure plan participants are neither advantaged nor disadvantaged by matters outside management's control that materially affect the performance hurdles (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).

The following table shows the potential annual remuneration packages for Executive KMP during the financial year.

		Fixed	Variable	
Name	**Title**	**FAR**	**STIP % of FAR**	**LTIP % of FAR**
Tony Spassopoulos	Chief Executive Officer & Managing Director	600,000	40%	50%
Tim Rogers	Chief Financial Officer	339,433	30%	20%
Malcolm Ross	General Counsel & Company Secretary	283,467	20%	20%

Consequences of Performance on Shareholder Wealth

In considering the Group's performance and benefits for shareholder wealth, the Nomination and Remuneration Committee have regard to the following indices in respect of the current and previous financial years.

Name	2020 $'000	2019 $'000	2018 $'000	2017 $'000	2016 $'000
Net loss attributable to members of Boom Logistics Limited	$(16,959)	$(5,330)	$(1,547)	$(22,630)	$(30,219)
Dividends paid	–	–	–	–	–
Share price at financial year end	$0.11	$0.15	$0.24	$0.09	$0.08
Earnings per share	$(0.04)	$(0.01)	$(0.00)	$(0.05)	$(0.06)
Return on capital employed (Trading EBIT/ Capital Employed)	(1.4%)	1.5%	1.6%	(3.7%)	(3.4%)

Remuneration Review

The review of KMP and general staff remuneration is conducted annually through a formal process.

KMP remuneration is reviewed by the Nomination and Remuneration Committee of the Board of Directors with input from the Chief Executive Officer ("CEO"). Market survey data combined with individual performance appraisals determine recommendations that go to the Board of Directors for approval. This process has historically occurred in June of each year. Due to the on-going market uncertainty, the timing of this process has been changed to September 2020 with any resulting remuneration adjustments from this process to take effect from the beginning of October 2020.

The Nomination and Remuneration Committee has direct responsibility for reviewing CEO performance against targets set by the Board of Directors and recommending to the Board of Directors appropriate adjustments to his remuneration package.

Staff reviews are similarly conducted by the relevant Executives and General Managers, with overview from the CEO.

CEO & Managing Director Remuneration

Mr. Spassopoulos has an employment contract that has no fixed term. Both the Company and Mr. Spassopoulos are entitled to terminate the employment contract on six month's written notice, except in the case of serious misconduct or neglect of duty. Contractual arrangements relating to a redundancy event are set out below.

Mr. Spassopoulos' remuneration package as at 30 June 2020 comprised the following components:

- FAR of $600,000 per annum, inclusive of allowances and superannuation contributions in line with the Superannuation Guarantee legislation. Mr. Spassopoulos' FAR is reviewed annually effective 1 July each year taking into account the Group's performance, industry and economic conditions and personal performance.
  - Mr. Spassopoulos has elected to salary sacrifice 20% of his FAR for rights to ordinary shares in the Company equating to an annual value of $120,000;
  - Mr. Spassopoulos nominated that a 10% reduction in salary for the months of April, May and June 2020 should apply in light of the economic impact from the COVID-19 pandemic;
- STIP equivalent to 40% of his FAR upon achievement of performance conditions set by the Board of Directors on an annual basis. 50% of the STIP outcome achieved for the financial year will be delivered in cash and 50% will be delivered in equity in the form of rights to ordinary shares in the Company. The cash payment of any bonus under the STIP will take place after the annual audit of the Group's financial report which typically occurs in the first half of the following financial year. No STIP is awarded if performance conditions are not met; and
- LTIP equivalent to 50% of his FAR is allocated in options of the Company with performance hurdles based on absolute EPS, return on capital employed and key safety performance metrics measured at the end of the three year performance period subject to shareholder approval at the Company's Annual General Meeting.

If his employment is terminated on the grounds of redundancy or where a diminution in responsibility occurs, Mr. Spassopoulos will be entitled to receive:

- The lesser of the maximum amount permitted by the Corporations Act and 12 months pay calculated in accordance with his FAR at the date of redundancy or diminution;
- Vested employee entitlements;
- STIP rights that have vested and if not exercised the exercise restrictions will be lifted. Where employment ceased prior to the STIP outcome being determined, the Board of Directors may at its discretion determine a pro-rated STIP based on the proportion of the performance period that has elapsed at the time of cessation. To the extent the relevant performance conditions are satisfied, the STIP award will be paid in cash and no rights will be allocated;
- LTIP options that have vested. Where employment ceased before the options vest, unvested options will continue "on-foot" and will be tested following the end of the original vesting date, and vesting to the extent that the relevant conditions have been satisfied (ignoring any service related conditions);
- In the event a termination payment is made, no payment in lieu of notice will be made.

The Board of Directors also have a broader discretion to apply any other treatment that it deems appropriate in the circumstances.

In the event that Mr. Spassopoulos was to be summarily dismissed, he would be paid for the period served prior to dismissal and any accrued leave entitlements. Mr. Spassopoulos would not be entitled to the payment of any bonus under the STIP or LTIP.

Mr. Spassopoulos is subject to restrictive covenants upon cessation of his employment for a maximum period of one year.

Other Executive KMP (standard contracts)

All other Executive KMP have contracts with no fixed term. Either the Company or the Executive KMP may terminate the Executive KMP employment agreement by providing three months written notice or providing payment in lieu of the notice period (based upon the fixed component of the Executive KMP remuneration). If employment is terminated on the grounds of redundancy, in addition to the notice period, all other Executive KMP will be entitled to receive up to 12 months pay calculated in accordance with their FAR.

On termination by notice of the Company or the Executive KMP, any STIP and LTIP that have vested will be awarded. Where employment ceased prior to the STIP outcome being determined or LTIP options vest, the treatment will be the same as that disclosed in the CEO & Managing Director Remuneration section above.

The Company may terminate the contract at any time without notice if serious misconduct has occurred. Where termination with cause occurs, the Executive KMP is only entitled to that proportion of remuneration that is fixed, and only up to the date of termination. On termination with cause, any unvested STIP rights and LTIP shares or options will lapse.

Similar to the CEO, all other Executive KMP agreed to a 10% reduction in salary for the months of April, May and June 2020 in light of the economic impact from the COVID-19 pandemic.

Total Remuneration of Executive KMP

Details of the cost to the Group relating to Executive KMP remuneration for the year ended 30 June 2020 are set out below.

	Short Term			Post Employment	Share-based Payments[b]			Long Term		
	Cash Salary	Cash Bonus	Other[a]	Super-annuation	Salary sacrificed rights	STIP rights[c]	LTIP options	Annual & long service leave[d]	Total Employee Benefits Expense	Total Performance Related
Executives										
Tony Spassopoulos (Chief Executive Officer & Managing Director)										
2020	**408,817**	**25,000**	**27,827**	**25,000**	**120,000**	**25,000**	**38,404**	**(19,148)**	**650,900**	**13.6%**
2019	421,539	24,000	27,827	25,000	105,000	24,000	7,510	33,276	668,152	8.3%
Tim Rogers (Chief Financial Officer)										
2020	**261,041**	**22,911**	**12,262**	**25,000**	**33,270**	**22,912**	**(5,305)**	**20,521**	**392,612**	**10.3%**
2019	262,321	6,465	5,065	25,000	30,884	6,465	(9,981)	(5,805)	320,414	0.9%
Malcolm Ross (General Counsel and Company Secretary)										
2020	**232,003**	**9,921**	**19,503**	**24,939**	**–**	**9,922**	**(5,460)**	**(12,695)**	**278,133**	**5.2%**
2019	247,367	11,009	3,001	24,714	–	11,009	(9,364)	6,591	294,327	4.3%
Total Remuneration: Executives										
2020	**901,861**	**57,832**	**59,592**	**74,939**	**153,270**	**57,834**	**27,639**	**(11,322)**	**1,321,645**	**–**
2019	931,227	41,474	35,893	74,714	135,884	41,474	(11,835)	34,062	1,282,893	–

a Other represents motor vehicle allowance and novated lease payments.

b Share-based payments represent a combination of rights, shares and options in Boom Logistics Limited granted under the remuneration structures. Only the expense relating to the period has been recognised in accordance with the accounting policy disclosed in note 18.

c Rights awarded as part of the STIP are expected to be granted after the announcement of the full year results and not later than 31 August.

d Long term annual leave and long service leave amounts represent the net movement in balance sheet leave provisions recognised in the statement of comprehensive income during the financial year.

Non-executive Director Fees

Non-executive Director fees are determined by reference to external survey data, taking account of the Group's relative size and business complexity. No additional payments are made for serving on Board Committees. In addition, non-executive Directors have no entitlement to STIP, no equity incentives are offered and no retirement benefits are payable. The maximum aggregate sum for non-executive Director remuneration of $400,000 was approved by shareholders at the 2004 Annual General Meeting. There has been no increase to the NED fee pool since 2004.

The non-executive Directors agreed to a 20% reduction in fees for the months of April, May and June 2020 in light of the economic impact from the COVID-19 pandemic.

Details of non-executive Directors' remuneration for the year ended 30 June 2020 are as follows:

	Short Term			Post Employment	Share-based Payments	Long Term	
	Salary & Fees	**Cash Bonus**	**Other**	**Super-annuation**	**All**	**Annual & long service leave[d]**	**Total**
Non-Executive Directors							
Maxwell Findlay							
2020	**123,500**	**–**	**–**	**11,733**	**–**	**–**	**135,233**
2019	128,750	–	–	12,231	–	–	140,981
Melanie Allibon							
2020	**61,780**	**–**	**–**	**5,869**	**–**	**–**	**67,649**
2019	2,137	–	–	203	–	–	2,340
Jean-Pierre Buijtels[a]							
Terrence Francis							
2020	**61,750**	**–**	**–**	**5,866**	**–**	**–**	**67,616**
2019	64,375	–	–	6,116	–	–	70,491
Terence Hebiton							
2020	**61,750**	**–**	**–**	**5,866**	**–**	**–**	**67,616**
2019	64,375	–	–	6,116	–	–	70,491
Total Remuneration: Non-Executive Directors							
2020	**308,780**	**–**	**–**	**29,334**	**–**	**–**	**338,114**
2019	259,637	–	–	24,666	–	–	284,303
Total Remuneration: Non-Executive Directors and Executives – Group							
2020	**1,210,641**	**57,832**	**59,592**	**104,273**	**238,743**	**(11,322)**	**1,659,759**
2019	1,190,864	41,474	35,893	99,380	165,523	34,062	1,567,196

a Jean-Pierre Buijtels is not paid a Director's fee. Instead, the Company pays for his travel and accommodation costs whilst attending Board of Director and committee meetings in Australia up to a maximum of $65,700 per financial year.

Equity Instruments Held by KMP

Summary of equity instruments held by KMP at reporting date are as follows:

Name	Shares	SSRP Rights	STIP Rights	LTIP Options
Max Findlay	250,000	–	–	–
Tony Spassopoulos	1,500,000	1,221,827	469,931	11,505,377
Melanie Allibon	100,000	–	–	–
Jean-Pierre Buijtels	–	–	–	–
Terrence Francis	185,745	–	–	–
Terence Hebiton	547,995	–	–	–
Tim Rogers	–	605,812	230,158	2,551,394
Malcolm Ross	–	–	255,808	2,147,630

Shareholdings of Directors and Executive KMP

Ordinary shares held in Boom Logistics Limited (number)

30 June 2020	Balance at Start of Year	Net Changes Other (i)	Balance at End of Year
Non-executive & Executive Directors			
Maxwell Findlay	250,000	–	250,000
Tony Spassopoulos	1,500,000	–	1,500,000
Melanie Allibon	–	100,000	100,000
Jean-Pierre Buijtels[a]	–	–	–
Terrence Francis (ii)	185,745	–	185,745
Terence Hebiton	547,995	–	547,995
Executives			
Tim Rogers	–	–	–
Malcolm Ross	–	–	–
Total	**2,483,740**	**100,000**	**2,583,740**

(i) These amounts represent ordinary shares purchased or sold directly or indirectly by the directors and executives during the financial year. These transactions have no connection with their roles and responsibilities as employees of the Group.

(ii) Includes shares held under a nominee or a related party.

a Mr. Buijtels is employed by Rorema Beheer B.V., the fund manager (the Fund Manager) of the fund Gran Fondo Capital (the Fund) which holds 35,380,342 shares in Boom Logistics Limited (the Company). Mr. Buijtels' 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. Buijtels 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. Buijtels can redeem his units in the Fund against their net asset value minus redemption fee at each transaction day of the Fund. Mr. Buijtels 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.

SSRP Outcomes of the Executive KMP

The following table shows the rights to ordinary shares granted to Executive KMP during the financial year under the salary sacrifice rights plan.

Name	Year	Grant Date	Grant Number	Fair Value per Right at Grant Date	Exercise Date	Expiry Date	Value of Rights Granted during the Year
Tony Spassopoulos	**2020**	**26 Feb 20**	**415,134**	**$0.1445**	**26 Feb 21**	**26 Feb 30**	**$60,000**
	2019	23 Aug 19	379,531	$0.1581	23 Aug 20	23 Aug 29	$60,000
Tim Rogers	**2020**	**26 Feb 20**	**114,933**	**$0.1442**	**26 Feb 21**	**26 Feb 30**	**$16,568**
	2019	23 Aug 19	102,242	$0.1581	23 Aug 20	23 Aug 29	$16,163

SSRP rights are granted twice per annum during the trading window following the release of the half-year and full year results. Amounts are salary sacrificed monthly and are held until granting of rights during a trading window.

Rights to ordinary shares (number)

30 June 2020	Grant Date	Tony Spassopoulos	Tim Rogers	Total
Salary Sacrifice Rights				
Balance at start of year		427,162	388,637	815,799
Granted during year:	26 Feb 20	415,134	114,933	530,067
	23 Aug 19	379,531	102,242	481,773
Balance at end of year		**1,221,827**	**605,812**	**1,827,639**
Number of rights not yet granted		410,575	116,136	526,711

Number of rights not yet granted shows the potential rights to ordinary shares equivalent to the amount of salary sacrificed to 30 June 2020 since the most recent granting of rights under the salary sacrifice rights plan on 26 February 2020.

Determining the STIP Outcomes of the Executive KMP

For the FY2019 STIP, the following table shows the rights to ordinary shares granted to Executive KMP during the year.

Name	Year	Grant Date	Grant Number	Fair Value per Right at Grant Date	Exercise Date	Expiry Date	Value of Rights Granted during the Year
Tony Spassopoulos	2019	13 Sep 19	153,873	$0.1560	13 Mar 20	13 Sep 29	$24,000
Tim Rogers	2019	13 Sep 19	41,449	$0.1560	13 Mar 20	13 Sep 29	$6,465
Malcolm Ross	2019	13 Sep 19	70,576	$0.1560	13 Mar 20	13 Sep 29	$11,008

For the FY2020 STIP, the Nomination and Remuneration Committee conducted a review of the Executive KMP performance against their set targets which resulted in the following potential maximum STIP being awarded to the Executive KMP. The STIP will be settled 50% in cash and 50% in rights to ordinary shares in the Company after the announcement of the full year results and approval by the Board of Directors.

Name	Title	Maximum STIP $	Weighting[a] %	Settled in Cash $	Settled in Rights $	Total Cost $
Tony Spassopoulos	Chief Executive Officer & Managing Director	240,000	20.8%	25,000	25,000	50,000
Tim Rogers	Chief Financial Officer	101,830	45.0%	22,911	22,912	45,823
Malcolm Ross	General Counsel & Company Secretary	56,693	35.0%	9,921	9,922	19,843

a Weighting represents the percentage of total STIP entitlement awarded to Executive KMPs based on their financial, safety and individual performance targets.

Rights to ordinary shares (number)

30 June 2020	Grant Date	Tony Spassopoulos	Tim Rogers	Malcolm Ross	Total
STIP Rights					
Balance at start of year		316,058	188,709	185,232	689,999
Granted during year:	13 Sep 19	153,873	41,449	70,576	265,898
Balance at end of year		**469,931**	**230,158**	**255,808**	**955,897**

Determining the LTIP Outcomes of the Executive KMP

Set out below are options granted to the Executive KMP under the LTIP during the year including those granted in previous years that have not yet vested.

Name	Year	Grant Date	Grant Number	Vesting Date	Fair Value per Option at Grant Date	Exercise Price	Exercise Date	Vesting Benchmark	Value of Options Granted during the Year
Tony Spassopoulos	**2020**	**29 Nov 19**	**6,666,667**	**31 Aug 22**	**$0.0450**	**$0.145**	**30 Sep 22**	(i)	**$300,000**
	2019	28 Nov 18	4,838,710	31 Aug 21	$0.0620	$0.164	30 Sep 21	EPS > $0.03	$300,000
Tim Rogers	**2020**	**29 Nov 19**	**1,508,591**	**31 Aug 22**	**$0.0450**	**$0.145**	**30 Sep 22**	(i)	**$67,887**
	2019	28 Nov 18	1,042,803	31 Aug 21	$0.0620	$0.164	30 Sep 21	EPS > $0.03	$64,654
Malcolm Ross	**2020**	**29 Nov 19**	**1,259,853**	**31 Aug 22**	**$0.0450**	**$0.145**	**30 Sep 22**	(i)	**$56,693**
	2019	28 Nov 18	887,777	31 Aug 21	$0.0620	$0.164	30 Sep 21	EPS > $0.03	$55,042

(i) The 2020 LTIP vesting benchmark consists of three independent vesting hurdles, each of which is measured at the end of the three year performance period being 30 June 2022. The three performance hurdles are Earnings per Share of $0.04 or more (50% of eligible options), Return on Capital Employed of 10% (25% of eligible options), Safety Performance: LTIFR < 1 and SAOFR > 4,500 (25% of eligible options).

The FY2018 options allocated to the Executive KMP did not vest as their vesting conditions were not met. In accordance with the LTIP rules, the FY2018 options were treated as lapsed at reporting date.

Options held in Boom Logistics Limited (number)

30 June 2020	Grant Date	Balance at Start of Year Unvested	Granted	Lapsed	Balance at End of Year Unvested
Tony Spassopoulos	29 Nov 19	–	6,666,667	–	6,666,667
	28 Nov 18	4,838,710	–	–	4,838,710
	30 Nov 17	1,979,421	–	(1,979,421)	–
		6,818,131	**6,666,667**	**(1,979,421)**	**11,505,377**
Tim Rogers	29 Nov 19	–	1,508,591	–	1,508,591
	28 Nov 18	1,042,803	–	–	1,042,803
	30 Nov 17	871,346	–	(871,346)	–
		1,914,149	**1,508,591**	**(871,346)**	**2,551,394**
Malcolm Ross	29 Nov 19	–	1,259,853	–	1,259,853
	28 Nov 18	887,777	–	–	887,777
	30 Nov 17	763,414	–	(763,414)	–
		1,651,191	**1,259,853**	**(763,414)**	**2,147,630**
Total		**10,383,471**	**9,435,111**	**(3,614,181)**	**16,204,401**

Share Trading Policy

The Group Securities Trading Policy applies to all NEDs and Executive KMP. The policy prohibits KMP from dealing in the Company securities while in possession of material non-public information relevant to the Group.

Lead Auditor's Independence Declaration to the Directors

The auditor's independence declaration is set out on page 42 and forms part of the directors' report for the financial year ended 30 June 2020.

Non-audit Services

The following non-audit services were provided by KPMG Australia, the Company's auditor. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

KPMG Australia received or are due to receive the following amounts for the provision of non-audit services:

Non-audit Services	
Taxation services	$50,848
Other assurance services	$46,575
Total remuneration for non-audit services	**$97,423**

Proceedings on the Behalf of the Company

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

No proceedings have been brought or intervened in on behalf of the Company with leave of the Court under section 237 of the Corporations Act 2001.

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

Tony Spassopoulos
Managing Director

Melbourne, 27 August 2020

LEAD AUDITOR'S INDEPENDENCE DECLARATION

for the year ended 30 June 2020

KPMG

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 audit of Boom Logistics Limited for the financial year ended 30 June 2020 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

KPMG

Andrew Hounsell

Andrew Hounsell

Partner

Melbourne

27 August 2020

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2020

	Note	2020 $'000	2019^ $'000
Revenue	2	185,535	182,722
Other income	3(a)	533	4,242
Salaries and employee benefits expense		(98,013)	(96,579)
Equipment service and supplies expense	3(b)	(46,405)	(44,446)
Operating lease expense		(1,033)	(11,972)
Other expenses	3(b)	(14,134)	(15,159)
Restructuring expense		(718)	(1,117)
Depreciation and amortisation expense	7	(16,515)	(17,340)
Depreciation expense – Right-of-use assets	22	(15,392)	–
Impairment expense	8,22	(1,902)	(1,975)
Loss before financing expense and income tax		**(8,044)**	**(1,624)**
Financing expense	11(e)	(2,835)	(3,706)
Financing expense – Lease liabilities	22	(1,633)	–
Loss before income tax		**(12,512)**	**(5,330)**
Income tax expense	4(a)	(4,447)	–
Net loss attributable to members of Boom Logistics Limited		**(16,959)**	**(5,330)**
Other comprehensive loss			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges recognised in equity, net of tax		(86)	(17)
Other comprehensive loss for the year, net of tax		**(86)**	**(17)**
Total comprehensive loss for the year attributable to members of Boom Logistics Limited		**(17,045)**	**(5,347)**
Basic losses per share (cents per share)	5	(3.9)	(1.2)
Diluted losses per share (cents per share)	5	(3.9)	(1.2)

^ T he Group has initially applied AASB 16 *Leases* at 1 July 2019 using the modified retrospective (option 2) approach. Under this approach, comparative information is not restated (refer to note 22).

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2020

	Note	2020 $'000	2019^ $'000
CURRENT ASSETS			
Cash and cash equivalents		2,131	1,450
Trade receivables, contract assets and other receivables		34,552	35,524
Inventories, prepayments and other current assets		3,486	5,282
Assets classified as held for sale	7	3,136	250
Income tax receivable		–	4,450
Lease receivables	22	1,176	–
TOTAL CURRENT ASSETS		**44,481**	**46,956**
NON-CURRENT ASSETS			
Property, plant and equipment	7	124,196	152,079
Right-of-use assets	22	22,788	–
Lease receivables	22	437	–
Deferred tax asset	4(b)	67	28
TOTAL NON-CURRENT ASSETS		**147,488**	**152,107**
TOTAL ASSETS		**191,969**	**199,063**
CURRENT LIABILITIES			
Trade and other payables		11,952	13,868
Interest bearing loans and borrowings	11	4,309	5,167
Lease liabilities	22	11,592	–
Employee provisions		8,461	8,147
Other provisions and liabilities	10	7,526	4,539
Derivative financial instruments		184	–
Income tax payable	4(c)	4,447	–
TOTAL CURRENT LIABILITIES		**48,471**	**31,721**
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	11	14,166	32,709
Lease liabilities	22	11,531	–
Employee provisions		395	307
Other provisions and liabilities	10	2,083	344
Derivative financial instruments		49	110
TOTAL NON-CURRENT LIABILITIES		**28,224**	**33,470**
TOTAL LIABILITIES		**76,695**	**65,191**
NET ASSETS		**115,274**	**133,872**
EQUITY			
Contributed equity	13(a)	310,327	312,057
Retained losses		(197,560)	(180,601)
Reserves		2,507	2,416
TOTAL EQUITY		**115,274**	**133,872**

^ The Group has initially applied AASB 16 *Leases* at 1 July 2019 using the modified retrospective (option 2) approach. Under this approach, comparative information is not restated (refer to note 22).

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

CONSOLIDATED STATEMENT OF CASH FLOWS

for the year ended 30 June 2020

	Note	2020 $'000	2019^ $'000
Cash flows from operating activities			
Receipts from customers		205,898	203,836
Payments to suppliers and employees		(177,385)	(187,269)
Interest paid		(2,692)	(3,333)
Interest paid – Lease liabilities	22	(1,633)	–
Interest received		7	11
Interest received – Lease receivables	22	110	–
Income tax received		4,450	–
Net cash provided by operating activities	9	**28,755**	**13,245**
Cash flows from investing activities			
Purchase of property, plant and equipment		(2,190)	(10,765)
Proceeds from the sale of property, plant and equipment		4,610	6,346
Net cash provided by / (used in) investing activities		**2,420**	**(4,419)**
Cash flows from financing activities			
Payments for shares bought back		(1,726)	(5,978)
Proceeds from borrowings		–	14,135
Repayment of borrowings		(15,923)	(16,959)
Repayment of borrowings – Lease liabilities		(13,817)	–
Receipts from finance leases as lessor	22	978	–
Payment of transaction costs related to share buy-back and borrowings		(6)	(244)
Net cash (used in) financing activities		**(30,494)**	**(9,046)**
Net increase / (decrease) in cash and cash equivalents		681	(220)
Cash and cash equivalents at the beginning of the period		1,450	1,670
Cash and cash equivalents at the end of the period		**2,131**	**1,450**

^ The Group has initially applied AASB 16 *Leases* at 1 July 2019 using the modified retrospective (option 2) approach. Under this approach, comparative information is not restated (refer to note 22).

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2020

	Note	Contributed Equity $'000	Retained Losses $'000	Cash Flow Hedge Reserve $'000	Employee Equity Benefits Reserve $'000	Total Equity $'000
At 1 July 2018 as originally presented		318,065	(174,871)	(60)	2,056	145,190
Adjustment on initial application of AASB 9		–	(400)	–	–	(400)
Adjusted balance at 1 July 2018		**318,065**	**(175,271)**	**(60)**	**2,056**	**144,790**
Loss for the year		–	(5,330)	–	–	(5,330)
Other comprehensive loss		–	–	(17)	–	(17)
Total comprehensive loss		**–**	**(5,330)**	**(17)**	**–**	**(5,347)**
Transactions with owners in their capacity as owners:						
Cost of share based payments	18(b)	–	–	–	437	437
Share buy-back including transaction costs and net of tax		(6,008)	–	–	–	(6,008)
At 30 June 2019^		**312,057**	**(180,601)**	**(77)**	**2,493**	**133,872**
Loss for the year		–	(16,959)	–	–	(16,959)
Other comprehensive loss		–	–	(86)	–	(86)
Total comprehensive loss		**–**	**(16,959)**	**(86)**	**–**	**(17,045)**
Transactions with owners in their capacity as owners:						
Cost of share based payments	18(b)	–	–	–	177	177
Share buy-back including transaction costs and net of tax	13(a)	(1,730)	–	–	–	(1,730)
At 30 June 2020		**310,327**	**(197,560)**	**(163)**	**2,670**	**115,274**

^ T he Group has initially applied AASB 16 *Leases* at 1 July 2019 using the modified retrospective (option 2) approach. Under this approach, comparative information is not restated (refer to note 22).

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

About This Report

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the Board of Directors on 27 August 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.

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards (AASBs) adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. The consolidated financial report complies with International Financial Reporting Standards (IFRSs) and interpretations adopted by the International Accounting Standards Board (IASB).

The 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 unless otherwise stated, except for derivative financial instruments which are measured at fair value. The 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 year 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 financial report by obscuring important information.

COVID-19 Impact on the Group

The spread of the novel coronavirus (COVID-19) was declared a public health emergency by the World Health Organisation on 31 January 2020 and upgraded to a Global Pandemic on 11 March 2020. The Australian Federal Government enacted its emergency plan on 29 February 2020 which saw the closure of Australian borders from 20 March 2020.

The speed of development of the situation and the unprecedented global reach of the emergency has created a significant level of uncertainty. The Group noted in its Half Year Report ASX Release dated 26 February 2020 that the impact of recent events relating to the coronavirus remain uncertain and that delays to projects and disruptions to supply chains were a possibility. Since that date the Group has continued to respond quickly to the emerging COVID-19 pandemic in line with advice from the Federal Government and World Health Organisation.

The Group derives the majority of its revenue from the following sectors: mining and resources; infrastructure and construction; industrial maintenance; wind, energy and utilities; and telecommunications which are designated as essential services and have continued to operate. The composition of Boom's customer base and the geographical spread of the Group's operations has helped to minimise the impact of the virus on Group revenues. The Group's Melbourne travel tower business is a supplier to essential services, telecommunications and utility customers, and is able to continue trading during the stage 4 restriction imposed on businesses in the Melbourne metropolitan area from 5 August 2020.

The Group has worked closely with customers to ensure that all health requirements were met. Operating cash flow has remained solid through the period.

The Group was quick to implement a number of initiatives to safeguard the health of our employees, customers and suppliers including introducing a travel ban for all staff in March, introducing strict cleaning processes for office space and equipment, established social distancing protocols and introduced thermal scanning and temperature checks at depots.

The Group was also proactive around measures to preserve cash during the period of uncertainty:

- Additional cost controls were introduced across the business to minimise discretionary expenditure;
- Major suppliers were approached to extend credit terms;
- Financiers were approached to defer some equipment rental payments;

COVID-19 Impact on the Group (continued)

- State payroll tax payments in the both New South Wales and Queensland were deferred in line with the support package offered by the State Governments;
- Job-keeper payments were accessed by the Group's labour hire business in May and June 2020, providing a contribution of approximately $400k (and $200k cash) in the period. This income has been presented net of the relevant expense in the financial statements;
- Employees were required to take leave during the last quarter; and
- The Executive and Board reduced their remuneration during the last quarter.

The above measures contributed circa $1.6 million of operating cash that was deferred in FY20 and is required to be paid over the first seven months of FY21. A further $0.6 million of equipment rental payments were deferred with the rental contracts being extended for an additional three month term.

The Group also elected to crystallise the historic franking deficit that it has carried for a number of years. A payment plan was negotiated with the ATO to progressively repay the $4.5 million franking deficit tax liability over a period of twenty four months. Historically this amount would be prepaid in June and refunded on lodgement of the Group's income tax return around November each year. Consequently the cash flow at 30 June 2020 benefitted from an additional $4.5m being the tax refund received in November 2019 that will now be repaid in interest free instalments over a twenty four month period.

Boom also made the difficult decision to defer its 0.5 cent dividend (cash cost of $2.1 million) that was to be paid in April 2020 to 2 October 2020.

COVID-19 has had the following broad impacts to the operations of the business in the period:

- Social distancing protocols required at customer sites resulted in the cancellation, delay or reduction in scope of several shutdown programs over the last quarter. Staffing levels and activity at some customer sites was reduced where social distancing could not be effectively maintained with normal crew numbers e.g. Esso offshore contract;
- Border closures restricted the use of fly in fly out workers. This was particularly relevant for the operation of the Group's Olympic Dam contract in South Australia that relies on a large inter-state work force. These restriction limited the number of people available on site over the last quarter;
- Travel restrictions within Western Australia delayed the Group's planned expansion of operations into the north-west of the State. The Group is on track to begin execution on this expansion in the first quarter of FY21;
- Projects were delayed as a result of customer supply chain concerns and economic uncertainty. In particular a wind farm construction project and a number of civil infrastructure projects that the Group expected to win were delayed in the last quarter.

  The uncertainty in outlook for projects persists. However the Group has been successful in mitigating this by securing work for one of its major project cranes with supporting assets on a wind farm project over the first half FY21 and has secured a contract to support work on the Snowy 2.0 project commencing in August 2020.

Going concern considerations

The uncertain economic conditions have not materially impacted the Group's assessment of going concern. The Group has diverse operations across all states providing a recurring revenue base largely in industries that have been designated as essential services and able to operate throughout the government restrictions.

The Group is not critically exposed to operations to any one location or any one customer or customer site. Furthermore the Group operates mobile assets that are transferable for project work across locations further mitigating geographical impacts of future virus outbreaks.

At 30 June 2020 the Group has net debt of under $20 million, low gearing at 17% (net debt to equity) and significant undrawn and immediately available bank facilities. The Group's core debt facilities retain tenure, expiring in January 2022, and provide sufficient liquidity to fund the Group over the next 12 months with significant headroom.

As noted above the Group has deferred circa $1.6 million of operating cash payments from FY20 that will be paid over the first seven months of FY21. These deferrals are fully factored in to the cash flow projections and are offset by the circa $3 million proceeds expected from asset sales over the same period.

With the non-repeat of the loss making Cattle Hill project in FY20, the Group is forecasting improved profitability in FY21 and continued surplus operating cash flow. Furthermore the uncertainty created by COVID-19 to project timing has been mitigated to a large part by the Group securing long term contracted project work to supplement its recurring mining maintenance revenues:

- Work secured on a Victorian wind farm on a schedule of rates for the first half of FY21;
- Work commenced in August 2020 on the Snowy 2.0 project;

- Work on the Parramatta Light Rail project secured to commence in the first quarter of FY21;
- Work on a power transmission line project in WA commenced in August 2020.

The Group has demonstrated its ability to generate solid operating cash flows throughout the COVID-19 situation and has been quick to act to changing conditions. The Group has forecast cash flows and bank covenant compliance for a period of 12 months from the date of this report which show surplus liquidity and a continued ability to operate as a going concern under a number of scenarios.

The directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Section A: Financial Performance

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

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.

Segment information

Year ended 30 June 2020	Note	Lifting Solutions $'000	Labour Services $'000	Other* $'000	Elimination $'000	Consolidated $'000
Segment revenue						
Total external revenue		184,380	1,155	–	–	185,535
Inter-segment revenue		–	23,585	–	(23,585)	–
Total segment revenue		184,380	24,740	–	(23,585)	185,535
Other income	3(a)					533
Total revenue and other income						**186,068**
Segment result						
Operating result		30,259	1,281	(5,590)	–	25,950
Net profit on disposal of property, plant and equipment		416	–	–	–	416
Depreciation and amortisation		(30,999)	(53)	(855)	–	(31,907)
Restructuring expense		(305)	(2)	(411)	–	(718)
Impairment of right-of-use assets		(75)	–	–	–	(75)
Impairment of assets classified as held for sale		(1,827)	–	–	–	(1,827)
(Loss) / profit before net interest and tax		**(2,531)**	**1,226**	**(6,856)**	**–**	**(8,161)**

Section A: Financial Performance (continued)

1. Segment Reporting (continued)

Year ended 30 June 2020	Note	Lifting Solutions $'000	Labour Services $'000	Other* $'000	Elimination $'000	Consolidated $'000
Net interest		(4,303)	(7)	(41)	–	(4,351)
Income tax expense						(4,447)
Loss from continuing operations						**(16,959)**
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**

Year ended 30 June 2019	Note	Lifting Solutions $'000	Labour Services $'000	Other* $'000	Elimination $'000	Consolidated $'000
Segment revenue						
Total external revenue		180,516	2,206	–	–	182,722
Inter-segment revenue		–	22,543	–	(22,543)	–
Total segment revenue		180,516	24,749	–	(22,543)	182,722
Other income	3(a)					4,242
Total revenue and other income						**186,964**
Segment result						
Operating result		26,669	1,076	(6,263)	–	21,482
Net loss on disposal of property, plant and equipment		(2,010)	–	–	–	(2,010)
Depreciation and amortisation		(16,771)	(8)	(561)	–	(17,340)
Restructuring expense		(1,117)	–	–	–	(1,117)
Employee benefit expense – retirement provision		–	–	(675)	–	(675)
Impairment of property, plant and equipment		(1,975)	–	–	–	(1,975)
(Loss) / profit before net interest and tax		**4,796**	**1,068**	**(7,499)**	**–**	**(1,635)**
Net interest						(3,695)
Income tax expense						–
Loss from continuing operations						**(5,330)**
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.

2. Revenue from Contracts with Customers

(a) 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:

Industry segment

Year ended 30 June 2020	Note	Lifting Solutions $'000	Labour Services $'000	Consolidated $'000
Mining & resources	(i)	86,466	38	86,504
Wind, energy, & utilities		48,368	17	48,385
Infrastructure & construction		17,928	309	18,237
Industrial maintenance		18,732	656	19,388
Telecommunications		11,817	–	11,817
Other		1,069	135	1,204
Total revenue from contracts with customers		**184,380**	**1,155**	**185,535**
Timing of revenue recognition				
Services transferred over time		**184,380**	**1,155**	**185,535**

Year ended 30 June 2019	Note	Lifting Solutions $'000	Labour Services $'000	Consolidated $'000
Mining & resources		87,333	44	87,377
Wind, energy, & utilities		34,161	–	34,161
Infrastructure & construction		23,822	951	24,773
Industrial maintenance		20,896	1,200	22,096
Telecommunications		13,176	–	13,176
Other		1,128	11	1,139
Total revenue from contracts with customers		**180,516**	**2,206**	**182,722**
Timing of revenue recognition				
Services transferred over time		**180,516**	**2,206**	**182,722**

(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 $1.184 million for the year ended 30 June 2020.

(b) Contract balances

	Note	2020 $'000	2019 $'000
Trade and other receivables		31,944	29,382
Contract assets	(ii)	2,608	6,142
Total trade receivables, contract assets and other receivables		**34,552**	**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.

Section A: Financial Performance (continued)

2. Revenue from Contracts with Customers (continued)

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.

3. Other income and Expenses

(a) Other income

	Note	2020 $'000	2019 $'000
Profit on disposal of plant and equipment		465	–
Profit / (loss) on disposal of plant and equipment – Right-of-use assets		(49)	–
Insurance settlement		–	2,589
Interest income		7	11
Interest income – Lease receivables		110	–
Legal settlement		–	1,642
Total other income		**533**	**4,242**

(b) Expenses

	Note	2020 $'000	2019 $'000
External equipment hire		10,235	10,249
External labour hire		5,194	3,895
Maintenance		8,906	9,957
Fuel		3,791	3,459
External transport		6,797	8,199
Employee travel and housing		1,760	2,275
Other reimbursable costs (on-charged to customers)		2,202	1,517
Other equipment services and supplies		7,520	4,895
Total equipment services and supplies expense		**46,405**	**44,446**

	Note	2020 $'000	2019 $'000
Employee related		2,738	3,397
Insurance and compliance		4,304	3,839
IT and communications		2,727	2,633
Occupancy		1,175	1,322
Other overheads		3,190	1,958
Loss on disposal of plant and equipment		–	2,010
Total other expense		**14,134**	**15,159**

4. Income Tax

(a) Income tax expense

	Note	2020 $'000	2019 $'000
Current income tax			
Current income tax expense / (benefit)		4,449	134
Adjustments in respect of current income tax of previous years		–	(120)
Deferred income tax			
Relating to origination and reversal of temporary differences		(2)	(14)
		4,447	**–**

A reconciliation between tax benefit and the accounting loss before income tax is as follows:

	Note	2020 $'000	2019 $'000
Accounting loss before tax from continuing operations		(12,512)	(5,330)
At the Group's statutory income tax rate of 30% (2019: 30%)		(3,754)	(1,599)
Expenditure not allowable for income tax purposes		53	35
Adjustments in respect of current income tax of previous years		–	(120)
Current year losses for which no deferred tax asset is recognised		1,565	569
Derecognition of tax losses recognised in previous years		2,136	1,115
Franking deficit tax payable	4(c)	4,447	–
Income tax expense		**4,447**	**–**

Section A: Financial Performance (continued)

4. Income Tax (continued)

(b) Deferred income tax

Year ended 30 June 2020	Opening Balance $'000	Recognised in Income Statement $'000	Recognised in Equity $'000	Closing Balance $'000
– Employee leave provisions	2,536	121	–	2,657
– Allowance for impairment on financial assets	173	161	–	334
– Liability accruals	448	1,158	–	1,606
– Restructuring provisions	246	(234)	–	12
– Tax losses	6,408	(2,136)	–	4,272
– Plant and equipment	(9,816)	932	–	(8,884)
– Derivative financial instruments	33	–	37	70
Net deferred tax asset / (liabilities)	**28**	**2**	**37**	**67**

Year ended 30 June 2019	Opening Balance $'000	Recognised in Income Statement $'000	Recognised in Equity $'000	Closing Balance $'000
– Employee leave provisions	2,831	(295)	–	2,536
– Allowance for impairment on financial assets	123	50	–	173
– Liability accruals	735	(287)	–	448
– Restructuring provisions	38	208	–	246
– Tax losses	7,523	(1,115)	–	6,408
– Plant and equipment	(11,269)	1,453	–	(9,816)
– Derivative financial instruments	26	–	7	33
Net deferred tax asset / (liabilities)	**7**	**14**	**7**	**28**

(c) Income tax payable

Income tax payable represents franking deficit tax payable. The franking deficit position at 30 June 2020 has been agreed with the ATO post balance date and will be paid in twenty four interest free equal monthly instalments commencing from August 2020. The income tax payments can be offset against future income tax liabilities.

(d) Tax losses

The Group has total tax losses of $31.101 million tax effected (2019: $29.537 million). $4.272 million of these losses have been recognised on balance sheet and $26.829 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.

Recognition and measurement

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

Deferred tax is provided on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are recognised for all deductible / taxable temporary differences except where they arise from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Income taxes relating to items recognised directly in equity are recognised in equity and not in the statement of comprehensive income.

Tax consolidation legislation

Boom Logistics Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation. The head entity, Boom Logistics Limited, and the controlled entities in the tax consolidated group have entered into tax funding and sharing agreements such that each entity in the tax consolidated group recognises the assets, liabilities, revenues and expenses in relation to its own transactions, events and balances only.

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.

5. Earnings Per Share

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

Diluted earnings per share amounts are calculated by dividing the net profit or loss for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the year 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 loss after tax		(16,959)	(5,330)
		No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share		431,555,802	462,894,795
Effect of dilutive securities:			
– employee share awards	(i)	–	–
Adjusted weighted average number of ordinary shares used in calculating basic earnings per share		**431,555,802**	**462,894,795**
Number of ordinary shares at financial year end		**427,774,207**	**439,193,800**

(i) The total number of granted rights and options at 30 June 2020 and 30 June 2019 were excluded from the diluted weighted average number of ordinary shares calculation as their effect was anti-dilutive.

Section A: Financial Performance (continued)

6. Dividends

There were no dividends paid during the year.

Dividends proposed and not recognised as a liability

The Board resolved to pay an unfranked interim dividend of 0.5 cents per share on 26 February 2020 with a record date of 31 March 2020. The dividend payment date, originally scheduled for 21 April 2020, was deferred to 2 October 2020 as a prudent measure to preserve cash as a result of the uncertainty created by the COVID-19 situation at that time. The record date for the deferred payment remains 31 March 2020 and the estimated liability based on the number of ordinary shares on issue at that date is $2.1 million.

Section B: Operating Assets and Liabilities

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

7. Property, Plant and Equipment

Year ended 30 June 2020	Note	Rental Equipment $'000	Motor Vehicles $'000	Machinery, Furniture, Fittings & Equipment $'000	Freehold Land & Buildings $'000	Total $'000
Opening carrying amount		145,000	4,078	1,319	1,682	152,079
Additions		1,100	32	415	–	1,547
Disposals		(3,762)	(686)	(16)	–	(4,464)
Transfers	(i)	(8,455)	(34)	38	–	(8,451)
Depreciation charge for the year		(14,852)	(742)	(801)	(120)	(16,515)
Closing carrying amount		**119,031**	**2,648**	**955**	**1,562**	**124,196**
At cost		**282,670**	**20,103**	**6,263**	**3,120**	**312,156**
Accumulated depreciation		**(163,639)**	**(17,455)**	**(5,308)**	**(1,558)**	**(187,960)**
Closing carrying amount		**119,031**	**2,648**	**955**	**1,562**	**124,196**

Year ended 30 June 2019	Note	Rental Equipment $'000	Motor Vehicles $'000	Machinery, Furniture, Fittings & Equipment $'000	Freehold Land & Buildings $'000	Total $'000
Opening carrying amount		159,559	3,896	1,228	2,805	167,488
Additions		11,395	885	645	–	12,925
Disposals		(8,642)	(76)	(68)	–	(8,786)
Transfers		(676)	282	162	(1)	(233)
Impairment		(975)	–	–	(1,000)	(1,975)
Depreciation charge for the year		(15,661)	(909)	(648)	(122)	(17,340)
Closing carrying amount		**145,000**	**4,078**	**1,319**	**1,682**	**152,079**
At cost		**316,839**	**21,534**	**5,932**	**3,120**	**347,425**
Accumulated depreciation		**(171,839)**	**(17,456)**	**(4,613)**	**(1,438)**	**(195,346)**
Closing carrying amount		**145,000**	**4,078**	**1,319**	**1,682**	**152,079**

(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 22 for further details. At 30 June 2020, the finance leased asset balance was $3.542 million. Transfers also included $4.713 million of rental equipment assets transferred to Assets classified as held for sale pre-impairment.

Property, plant and equipment with a carrying amount of $124.196 million (2019: $148.341 million) is pledged as securities for current and non-current interest bearing loans and borrowings as disclosed in note 11.

Assets classified as held for sale

The balance in the Group's assets classified as held for sale account at 30 June 2020 is $3.136 million (2019: $0.250 million). Assets classified as held for sale consists of underutilised travel towers and access equipment that are no longer required and are targeted for sale in FY2021. Assets transferred to held for sale were subject to an impairment of $1.827 million (refer to note 8) which is reflective of the expected auction value given the large number of similar assets being disposed in a short time frame.

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Land is measured at cost.

When a major overhaul is performed on an asset, the cost is recognised in the carrying amount of property, plant and equipment only if the major overhaul extends the expected useful life of the asset or if the continuing operation of the asset is conditional upon incurring the expenditure. Similarly, when each major inspection is performed, its cost is recognised in the carrying amount of property, plant and equipment as a replacement only if it is eligible for capitalisation. The cost of the day-to-day servicing or the replacement of consumable parts of property, plant and equipment is recognised in profit or loss as incurred.

Depreciation is recognised in the statement of comprehensive income on a straight line basis over the estimated useful life of each part of an item of property, plant and equipment as follows:

Buildings	20 Years
Mobile Cranes	10 to 15 Years
Travel Towers	10 to 20 Years
Access and Ancillary Equipment	10 Years
Vehicles	5 to 10 Years
Office and Workshop Equipment	3 to 10 Years
Leasehold Improvements	Lease term
Computer Equipment	3 to 5 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and at more regular intervals when there is an indicator of impairment or when deemed appropriate.

Gains or losses on sale of property, plant and equipment are included in the statement of comprehensive income in the year the asset is disposed of.

Key estimate and judgement

The Group determines the estimated useful lives of assets and related depreciation charges for its property, plant and equipment based on the accounting policy stated above. These estimates are 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.

8. Impairment Testing of Assets

Recognition and measurement

The carrying amounts of the Group's non-financial assets, other than deferred tax assets and inventories, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets (the "cash-generating unit").

The recoverable amount of an asset or cash-generating unit or a group of cash-generating units is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss is recognised if the carrying amount of an asset, cash-generating unit or a group of cash-generating units exceeds its recoverable amount. Impairment losses are recognised in the statement of comprehensive income. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the

Section B: Operating Assets and Liabilities (continued)

8. Impairment Testing of Assets (continued)

carrying amount of the other assets in the unit (group of units) on a pro rata basis.

Key estimate and judgement

The carrying values of the CGU's fixed assets were tested at 30 June 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 of all cranes and travel tower assets obtained from an independent valuer dated 5 June 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 crane and travel tower assets as stated in the consolidated 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 operating fleet was considered necessary at 30 June 2020.

Assets Classified As Held For Sale

All assets classified as held for sale are measured at lower of cost and fair value. Fair value was determined from a valuation obtained from an independent valuer dated 5 June 2020, a sales price estimate obtained from an independent auctioneer, together with the Group's sales history of comparable assets. To provide an indication about the reliability of the inputs when determining fair value, the Group has classified its assets held for sale 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".

All assets classified as assets held for sale have been reviewed to ensure they are being carried at their recoverable amount less any selling costs. An impairment charge of $1.827 million (2019: $nil) was recognised against assets classified as held for sale during the period.

9. Reconciliation of the Net Cash Flows from Operations with Net Loss After Tax

	Note	2020 $'000	2019 $'000
Net loss after tax		(16,959)	(5,330)
Non cash items			
Depreciation and amortisation of non-current assets		31,907	17,340
Impairment of non-current assets		1,902	1,975
Borrowing costs – amortisation	11(e)	143	373
Net (profit)/loss on disposal of non-current assets	3	(416)	2,010
Share based payments	18(b)	177	437
Changes in assets and liabilities			
Decease in trade receivables, contract assets and other receivables		972	1,143
Decrease/(increase) in inventories, prepayments and other assets		1,981	(2,181)
Decrease/(increase) in current and deferred tax balances		8,858	(21)
(Decrease) in trade and other payables		(1,208)	(948)
Increase/(decrease) in provisions and other liabilities		1,398	(1,553)
Net cash flow from operating activities		**28,755**	**13,245**

10. 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 $2.824 million which principally relates to shipment costs of returning leased equipment, including onshore transportation costs. The balance includes a provision for $1.157 million for the potential non-recovery of amounts claimed for work performed on a major project during the year. The claim is subject to dispute.

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.

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.

11. Debt

	Note	2020 $'000	2019 $'000
Current			
Other loans		4,309	5,167
Total current interest bearing liabilities		**4,309**	**5,167**
Non current			
Other loans		9,238	21,923
Secured bank loans		5,000	11,000
Prepaid borrowing costs		(72)	(214)
Total non-current interest bearing liabilities		**14,166**	**32,709**
Total interest bearing liabilities		**18,475**	**37,876**

(a) Debt facilities

At reporting date, the Group had the following debt facilities:

- $20 million, 3 year syndicated loan facility expiring on January 2022. The facility attracts a floating interest rate. The facility limit amortises by between $nil and $2.5 million at each six month period on 1 January and 1 July dependant on the earnings leverage ratio reported at the end of the preceding quarter. The Group does not expect any amortisation to apply to the facility;
- $20 million, 3 year trade receivables loan facility expiring on January 2022. The facility incurs a fixed fee and floating interest on funds drawn. There is no amortisation required over the life of this facility;
- $35 million asset finance facility, comprising finance and operating leases with varying expiry dates from August 2021 to May 2024. The facility attracts fixed interest rates and drawn amounts amortise over a period of 1 to 5 years.

Section C: Funding Structures (continued)

11. Debt (continued)

(b) Covenant position

The Group was in compliance with all financial and non-financial banking covenants throughout the reporting period and as at 30 June 2020.

(c) Assets pledged as security

Fixed and floating charges are held over all of the Group's assets, including cash at bank, trade receivables, contract assets and other receivables, and assets classified as held for sale.

(d) Terms and debt repayment schedule

	Currency	Weighted Average Interest Rate	Years of Maturity	2020 $'000	2019 $'000
Syndicated debt	AUD	4.24%	January 2022	5,000	11,000
Trade receivables loan	AUD	8.48%	January 2022	4,147	7,617
Finance leases	AUD	5.98%	2023 to 2024	(i)	3,726
Finance arrangement	AUD	5.98%	August 2021	9,400	15,747
Prepaid borrowing costs				(72)	(214)
Total interest bearing liabilities				**18,475**	**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 22 for further details. At 30 June 2020, the finance lease balance was $3.193 million.

(e) Financing expense

		2020 $'000	2019 $'000
Interest expense	(ii)	1,862	2,521
Borrowing costs – amortisation (non-cash)		143	373
Borrowing costs – other		830	812
Total financing expense		**2,835**	**3,706**

(ii) Interest expense of $0.208 million on finance leases reclassified to Lease Liabilities were recognised under Financing expense – Lease liabilities on the Statement of Comprehensive Income.

(f) Financing facilities available

At reporting date, the following financing facilities had been negotiated and were available:

	Note	2020 $'000	2019 $'000
Total facilities:			
– bank overdraft		1,000	1,000
– bank loans and borrowings		75,000	75,000
		76,000	**76,000**
Facilities drawn at reporting date:			
– bank overdraft		–	–
– bank loans and borrowings	(iii)	21,740	38,090
		21,740	**38,090**
Facilities undrawn at reporting date:			
– bank overdraft		1,000	1,000
– bank loans and borrowings	(iv)	44,792	28,619
		45,792	**29,619**

(iii) Balance at 30 June 2020 includes finance leases of $3.193 million.

(iv) $13.9 million of the $35 million asset finance facility was undrawn at reporting date. $12.6 million was drawn as disclosed above with a further $8.5 million utilised by operating leases.

In addition, the Group has an existing $10.5 million working capital facility for letters of credit, bank guarantees and credit card facilities. As at 30 June 2020, $4.381 million (2019: $7.609 million) was utilised.

Recognition and measurement

All loans and borrowings are initially recognised at fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised.

The fair value of all borrowings approximates their carrying amount at reporting date as the impact of any market discounting is not significant.

12. Financial Risk Management

The Board of Directors has overall responsibility for the oversight of the Company's risk management framework including the identification and management of material business, financial and regulatory risks. Management reports regularly to the Risk Committee and the Board of Directors on relevant activities.

Risk management guidelines have been further developed to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management guidelines are regularly reviewed to reflect changes in market conditions and the Group's activities.

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk;
- Liquidity risk; and
- Market risk.

Section C: Funding Structures (continued)

12. Financial Risk Management (continued)

(a) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade receivables, contract assets and other receivables, and derivative instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group's policy is to trade with recognised, creditworthy third parties. It is the Group's practice that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant.

Trade receivables and contract assets

The Group applies the simplified approach to measuring expected credit losses ("ECL") which uses a lifetime expected loss allowance for all trade receivables and contract assets.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and the days past due. The contract assets relate to unbilled work in progress and have substantially the same risk characteristics as the trade receivables for the same types of contracts. The Group has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Group established a provision matrix based on the historical credit loss experience and adjusted for forward looking factors specific to the debtors and the economic environment. The Group considers trade receivables and contract assets are at risk when contractual payments are 120 days past invoice date, subject to other internal or external information that indicate otherwise.

Collectability is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off by reducing the carrying amount directly. An allowance for impairment is used when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables.

At reporting date, the credit risk exposure on the Group's trade receivables and contract assets using a provision matrix is as follows:

Year ended 30 June 2020	ECL Rate	Trade Receivables* $'000	Contract Assets* $'000	Total $'000	Loss Allowance $'000
0 – 30 days	0.20%	17,771	2,608	20,379	37
31 – 60 days	0.25%	5,976	–	5,976	14
61 – 90 days	0.75%	5,798	–	5,798	40
91 – 120 days	7.50%	1,285	–	1,285	88
+120 days	20.00%	1,408	–	1,408	256
		32,238	**2,608**	**34,846**	**435**

Year ended 30 June 2019	ECL Rate	Trade Receivables* $'000	Contract Assets $'000	Total $'000	Loss Allowance $'000
0 – 30 days	0.20%	16,055	6,142	22,197	41
31 – 60 days	0.25%	6,861	–	6,861	16
61 – 90 days	0.75%	4,151	–	4,151	28
91 – 120 days	7.50%	739	–	739	50
+120 days	20.00%	1,082	–	1,082	197
		28,888	**6,142**	**35,030**	**332**

* Trade receivables and contract assets are net of specific transactions totalling $0.539 million (2019: $0.245 million) that have been fully provided and excluded from above general provision calculation. Refer to page 47 for the impact from COVID-19.

The movement in the allowance for impairment in respect of trade receivables and contract assets during the financial year is as follows:

	Note	2020 $'000	2019 $'000
Balance at 1 July		577	809
Impairment loss recognised		802	257
Amounts written-off and/or written back		(265)	(489)
Balance at 30 June	**(i)**	**1,114**	**577**

(i) The allowance for impairment of $1.114 million at 30 June 2020 includes an additional allowance of $0.140 million, circa 30% in excess of the allowance calculated using the provision matrix above. The additional amount is to allow for a perceived temporary increase in the risk profile as a result of the uncertain economic environment at 30 June 2020.

Recognition and measurement

Trade receivables and contract assets are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for impairment. Trade receivables are generally due for settlement within 30 – 90 days.

The amount of the impairment loss is recognised in the statement of comprehensive income within other expenses. When a trade receivable or contract asset for which an allowance for impairment had been recognised becomes uncollectible in a subsequent period, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against other expenses in the statement of comprehensive income.

Section C: Funding Structures (continued)

12. Financial Risk Management (continued)

(b) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its financial obligations as they fall due under both normal and stressed conditions without incurring unacceptable losses or damage to the Group's reputation. In order to meet these requirements management estimates the cash flows of the Group on a weekly, monthly and three year rolling basis.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, finance leases and trade receivables loan. At 30 June 2020, the Group's balance sheet gearing ratio was 17% (net debt / total equity) on a pre AASB 16, like for like basis (2019: 27%). Allowing for the additional lease liabilities recognised in accordance with AASB 16, the Group's balance sheet gearing ratio was 34%.

The table below represents the undiscounted contractual settlement terms for financial liabilities based on the remaining period at the reporting date to the contractual maturity date.

Year ended 30 June 2020	Carrying Amount $'000	Contractual Cash Flows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000
Trade and other payables	11,952	(11,952)	(11,952)	–	–	–
Derivatives	233	(233)	(123)	(61)	(49)	–
Income tax payable	4,447	(4,447)	(4,447)	–	–	–
Other loans	13,547	(14,892)	(2,571)	(2,571)	(9,750)	–
Secured bank loans	5,000	(5,383)	(121)	(121)	(5,141)	–
Lease liabilities	23,123	(26,337)	(7,545)	(5,978)	(8,055)	(4,759)
	58,302	**(63,244)**	**(26,759)**	**(8,731)**	**(22,995)**	**(4,759)**

Year ended 30 June 2019	Carrying Amount $'000	Contractual Cash Flows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000
Trade and other payables	13,868	(13,868)	(13,868)	–	–	–
Derivatives	110	(110)	(14)	(28)	(46)	(23)
Other loans	27,090	(30,409)	(3,577)	(3,577)	(7,153)	(16,103)
Secured bank loans	11,000	(12,186)	(230)	(230)	(459)	(11,268)
	52,068	**(56,573)**	**(17,689)**	**(3,835)**	**(7,658)**	**(27,394)**

Recognition and measurement

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually payable within 60 days of recognition.

(c) Market risk

Market risk is the risk that changes in interest rates and foreign exchange rates will affect the Group's income or the value of its holdings of financial instruments.

Interest rate risk

At the reporting date, the interest rate profiles of the Group's interest bearing financial instruments were:

		Carrying Amount	
	Note	2020 $'000	2019 $'000
Fixed rate instruments			
Financial liabilities		(17,593)	(19,473)
		(17,593)	**(19,473)**
Variable rate instruments			
Financial assets – cash at bank and on hand		2,131	1,450
Financial liabilities		(4,147)	(18,617)
		(2,016)	**(17,167)**

The Group's main interest rate risk arises from short and long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. This risk is managed by taking into consideration the current and expected future debt profile, expectations regarding future interest rate movements, the mix between variable and fixed rate borrowings and the potential to hedge against negative outcomes by entering into interest rate swaps.

Interest rate swap contracts – cash flow hedges

The Group has entered into an interest rate swap contract under which it is obliged to receive interest at a variable rate and to pay interest at a fixed rate.

The interest rate swap contract currently in place covers 100% of the variable loan principal outstanding. The fixed interest rate is at 1.94%. The contract is settled on a net basis and coincide with the dates on which interest is payable on the underlying debt.

All swaps are matched directly against the hedged item and as such are considered highly effective. The swaps are measured at fair value and all gains and losses attributable to the hedged risk are taken directly to equity and re-classified into profit or loss when the interest expense is recognised.

The Group will continue to monitor debt levels and assess the need to enter into further interest rate swap contracts, or other derivative instruments, based on forecast debt levels and prevailing market conditions at that time.

Foreign exchange rate risk

Foreign exchange risk arises when future commercial transactions and recognised liabilities are denominated in a currency that is not the entity's functional currency. The Group has transactional currency exposures arising from operating lease of plant and equipment denominated in Euros.

In order to protect against exchange rate movements, the Group has entered into forward exchange contracts to purchase Euros. These contracts are hedging highly probable forecasted transactions and are timed to mature when payments are scheduled to be made. The forward exchange contracts are considered to be fully effective cash flow hedges and any gain or loss on the contracts is taken directly to equity.

The Group's exposure to foreign exchange rate risk at reporting date, expressed in Australian dollars, was $0.499 million (2019: $0.299 million) and the forward exchange contracts had a fair value of $0.104 million payable (2019: $0.018 million payable).

Sensitivity

Movements in the Australian dollar against the Euro would not result in a material difference to the balances stated in the consolidated statements of changes in equity and comprehensive income.

Section C: Funding Structures (continued)

12. Financial Risk Management (continued)

Recognition and measurement

Derivatives designated as hedging instruments are classified as cash flow hedges.

At the inception of each hedging transaction, the Group documents the relationship between the hedging instruments and hedged items, its risk management objectives and its strategy for undertaking the hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions have been and will continue to be highly effective in offsetting changes in fair value or cash flows of hedged items.

The effective portion of changes in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognised in other comprehensive income and accumulated in the cash flow hedge reserve in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

The Group does not speculate in the trading of derivative instruments.

Derivatives are carried at fair value and categorised as level 2 in the fair value hierarchy under AASB 13 where "inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly".

13. Contributed Equity

(a) Issued and paid up capital

		2020		2019	
	Note	**No. of Shares**	**$'000**	**No. of Shares**	**$'000**
Beginning of the financial year		439,193,800	312,057	474,868,764	318,065
Shares bought back on-market and cancelled	(i)	(11,419,593)	(1,726)	(35,674,964)	(5,978)
Buy-back transaction costs		–	(6)	–	(44)
Tax credits recognised directly in equity		–	2	–	14
End of the financial year		**427,774,207**	**310,327**	**439,193,800**	**312,057**

(i) During the financial year, Boom purchased and cancelled 11,419,593 ordinary shares (2019: 35,674,964) priced between $0.14 and $0.17 per share as a result of the on market share buy-back scheme. The total cost, including transaction costs, was $1.732 million (2019: $6.022 million). These costs were deducted from contributed equity. The share buy-back scheme has been completed.

All issued shares are fully paid. Fully paid ordinary shares carry one vote per share and carry the right to dividends.

(b) Capital management

For the purposes of capital management, capital includes issued capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management policy is to maximise shareholder value.

The Group manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants included in its agreements with financiers. Adjustments to the Group's capital structure can be made subject to meeting the restrictions included in the Group's financing agreements. These require the Group to maintain the ratio of gross debt to trading EBITDA at less than 2.5 times with the aggregate total of distributions not exceeding $15 million over the term of the facilities (to January 2022). Further, the total value of dividends paid in any financial year must not exceed 50% of the net profit after tax earned in the prior financial year without the prior approval of the financiers.

The Group monitors capital on the basis of the balance sheet gearing ratio. This ratio is calculated as net debt divided by total equity as disclosed in note 12(b).

The Group's capital management, amongst other things, aims to ensure that it meets its financial covenants. The Group will also manage its capital structure through returns to shareholders, as economic conditions and trading results improve.

Section D: Other Disclosures

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

14. Subsidiaries

		Equity Interest	
	Country of Incorporation	2020 %	2019 %
AKN Pty Ltd	Australia	**100**	100
Sherrin Hire Pty Ltd	Australia	**100**	100
Shutdown Staffing Pty Ltd	Australia	**100**	100
Boom Logistics (VIC) Pty Ltd	Australia	**100**	100
Boom Logistics Projects Pty Ltd[a]	Australia	**100**	–
Boom Renewables Pty Ltd[a]	Australia	**100**	–

a Boom Logistics Projects Pty Ltd was incorporated on 25 May 2020 and Boom Renewables Pty Ltd was incorporated on 2 June 2020. Both companies did not trade in the period from incorporation to 30 June 2020.

Boom Logistics Limited is the ultimate parent company.

Recognition and measurement

The consolidated financial statements comprise the financial statements of Boom Logistics Limited and its subsidiaries as at 30 June each year.

Subsidiaries are entities controlled by the Group. Control exists when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group.

In the parent company financial statements, investments in subsidiaries are carried at cost less impairments.

The acquisition method of accounting is used to account for the acquisition of subsidiaries by the Group.

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

15. Deed of Cross Guarantee

Pursuant to ASIC Corporations Instrument 2016/785 ("Corporations Instrument"), the wholly owned subsidiaries listed below are relieved from the Corporations Act 2001 requirements for preparation, audit and lodgement of financial reports and Directors' report.

It is a condition of the Corporations Instrument that Boom Logistics Limited and each of the subsidiaries enter into a Deed of Cross Guarantee. The effect of the Deed is that Boom Logistics Limited guarantees to each creditor payment in full of any debt in the event of winding up of any of the subsidiaries under certain provisions of the Corporations Act 2001. The subsidiaries have also given similar guarantees in the event that Boom Logistics Limited is wound up.

The subsidiaries subject to the Deed are:

- Sherrin Hire Pty Ltd (party to the Deed on 6 December 2005);
- AKN Pty Ltd (party to the Deed on 3 November 2006 by virtue of a Deed of Assumption);
- Shutdown Staffing Pty Ltd (party to the Deed on 23 November 2007 by virtue of a Deed of Assumption); and together with Boom Logistics Limited, represent a "Closed Group" for the purposes of the Corporations Instrument.

Section D: Other Disclosures (continued)

15. Deed of Cross Guarantee (continued)

The consolidated statements of comprehensive income and financial position of the entities that are members of the "Closed Group" are as follows:

Consolidated Statement of Comprehensive Income

	Closed Group	
	2020 $'000	2019 $'000
Revenue	176,038	170,980
Other income	295	4,242
Salaries and employee benefits expense	(91,135)	(88,391)
Equipment service and supplies expense	(44,364)	(42,374)
Operating lease expense	(1,007)	(11,750)
Other expenses	(9,255)	(15,351)
Restructuring expense	(709)	(1,117)
Depreciation and amortisation expense	(15,859)	(16,573)
Depreciation expense – Right-of-use assets	(15,235)	–
Impairment expense	(1,902)	(1,975)
Financing expense	(2,835)	(4,251)
Financing expense – Lease liabilities	(1,618)	–
Loss before income tax	(7,586)	(6,560)
Income tax (expense) / benefit	(4,331)	164
Net loss for the year	**(11,917)**	**(6,396)**
Other comprehensive loss		
Cash flow hedges recognised in equity	(86)	(17)
Other comprehensive loss for the year, net of tax	(86)	(17)
Total comprehensive loss for the year	**(12,003)**	**(6,413)**
Retained losses at the beginning of the year	(191,910)	(185,114)
Adjustment on initial application of AASB 9	–	(400)
Retained losses at the end of the year	**(203,827)**	**(191,910)**

Consolidated Statement of Financial Position

	Closed Group	
	2020 $'000	2019 $'000
Current assets		
Cash and cash equivalents	2,115	1,435
Trade receivables, contract assets and other receivables	33,029	34,111
Inventories, prepayments and other current assets	3,443	5,282
Assets classified as held for sale	3,136	250
Income tax receivable	–	4,450
Lease receivables	1,176	–
Total current assets	**42,899**	**45,528**
Non-current assets		
Investments	599	599
Deferred tax asset	552	5,350
Property, plant and equipment	118,682	145,585
Right-of-use assets	22,587	–
Lease receivables	438	–
Total non-current assets	**142,858**	**151,534**
Total assets	**185,757**	**197,062**
Current liabilities		
Trade and other payables	11,323	13,515
Interest bearing loans and borrowings	4,309	5,167
Lease liabilities	11,592	–
Employee provisions	7,704	7,214
Other provisions and liabilities	7,387	4,404
Derivative financial instruments	184	–
Income tax payable	4,447	–
Total current liabilities	**46,946**	**30,300**
Non-current liabilities		
Payables	1,808	10,736
Interest bearing loans and borrowings	14,165	32,709
Lease liabilities	11,336	–
Employee provisions	383	300
Other provisions and liabilities	2,064	344
Derivative financial instruments	49	110
Total non-current liabilities	**29,805**	**44,199**
Total liabilities	**76,751**	**74,499**
Net assets	**109,006**	**122,563**
Equity		
Contributed equity	310,326	312,057
Retained losses	(203,827)	(191,910)
Reserves	2,507	2,416
Total equity	**109,006**	**122,563**

Section D: Other Disclosures (continued)

16. Parent Entity

The individual financial statements for the parent entity show the following aggregate amounts:

Statement of financial position

	2020 $'000	2019 $'000
Current assets	43,138	40,772
Total assets	231,990	231,430
Current liabilities	48,606	28,075
Total liabilities	108,205	127,450
Equity		
Contributed equity	310,326	312,057
Reserves	2,507	2,416
Retained losses	(189,048)	(210,493)
Total equity	**123,785**	**103,980**
Net profit / (loss) after tax for the year	**21,445**	**(10,815)**
Total comprehensive profit / (loss) for the year	**21,359**	**(10,832)**

17. Key Management Personnel

Summary of key management personnel compensation in the following categories is as follows:

	2020 $	2019 $
Short-term employee benefits	1,328,065	1,268,231
Post employment benefits	104,273	99,380
Other long term benefits	(11,322)	34,062
Share based payments	238,743	165,523
Total compensation	**1,659,759**	**1,567,196**

Refer to the Remuneration Report in the Directors' Report for detailed compensation disclosure on key management personnel.

18. Share-based Payments

Three employee incentive schemes are in place to assist in attracting, retaining and motivating key employees as follows:

- Salary sacrifice rights plan;
- Short term incentive plan; and
- Long term incentive plan.

Information with respect to the number of rights and options allocated under the employee incentive schemes are as follows:

	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 Fair Value 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	$0.1509	1,011,840	$0.1560	493,156	$0.1450	16,454,403
Exercised during the period	$0.1600	(56,423)	$0.1414	(487,894)	–	–
Lapsed during the period	–	–	–	–	$0.2120	(8,931,107)
Forfeited during the period	–	–	$0.1400	(126,889)	$0.1643	(138,798)
At end of period	**$0.1434**	**1,827,639**	**$0.1827**	**2,302,798**	**$0.1522**	**26,214,991**

Salary sacrifice rights plan

Eligible executives will be permitted to salary sacrifice a portion of their pre-tax fixed annual remuneration to acquire equity in the form of rights to fully paid ordinary shares in the Company.

Each right is a right to acquire one ordinary share in the Company. The exact number of rights to be granted is based on the amount of salary sacrificed and the 5 day volume weighted average price prior each month. Rights do not carry any dividend or voting rights. Rights will be granted twice a year following the announcement of the half-year and full-year results or in any event, within twelve months of the Annual General Meeting ("AGM"). Rights will have a twelve month exercise restriction commencing from the relevant grant dates. The rights to ordinary shares equivalent to the amount salary sacrificed in the period from the most recent grant date will be granted following the announcement of the full-year results.

Short term incentive plan

Eligible executives will have the opportunity to receive short term incentives subject to meeting performance hurdles over the financial year. 50% of the STIP outcome achieved for the financial year will be delivered in cash and 50% will be delivered in equity in the form of rights to ordinary shares in the Company.

Each right is a right to acquire one ordinary share in the Company. The exact number of rights to be granted is based on 50% of the STIP outcome divided by the 5 day volume weighted average price after the release of full year results. Rights do not carry any dividend or voting rights. Rights will be granted following the announcement of the full-year results or in any event, within twelve months of the AGM. Rights will have a six month exercise restriction commencing from the grant date.

Long term incentive plan

Eligible executives will be granted options to acquire ordinary shares in the Company, subject to performance hurdles and some or all may vest at the end of the three year period if the performance hurdles are met.

Each option is a right to acquire one ordinary share in the Company (or an equivalent cash amount) subject to payment of the exercise price. The exact number of options to be granted will be the LTIP award divided by the option valuation using a Binomial valuation methodology prior to grant date. The option exercise price is calculated based on the 5 day volume weighted average price prior to the grant date. Options do not carry any dividend or voting rights. Options will be granted within twelve months of the Annual General Meeting.

Options are subject to performance hurdles based on three independent measures comprising absolute earnings per share ("EPS"), return on capital employed and key safety performance metrics, which are measured at the end of the three year performance period. The Board of Directors retains a discretion to adjust the performance hurdles as required to ensure plan participants are neither advantaged

Section D: Other Disclosures (continued)

18. Share-based Payments (continued)

nor disadvantaged by matters outside management's control that materially affect the performance hurdles (for example, by excluding one-off non-recurrent items or the impact of significant acquisitions or disposals).

Options granted have the following details and assumptions:

	2020	2019	2018
Grant date	29 November 2019	28 November 2018	30 November 2017
Vesting date	31 August 2022	31 August 2021	31 August 2020
Expiry date	30 September 2022	30 September 2021	30 September 2020
Share price at grant date	$0.145	$0.165	$0.200
Fair value at grant date	$0.045	$0.062	$0.070
Exercise price	$0.145	$0.164	$0.212
Expected life	2.8 years	2.8 years	2.8 years
Expected price volatility of Boom's shares	47%	55%	55%
Risk-free interest rate	0.65%	2.07%	1.87%
Expected dividend yield	0%	0%	0%

(a) Carrying values

	Note	2020 $'000	2019 $'000
Salary Sacrifice Rights Plan		753	600
Short Term Incentive Plan		798	721
Long Term Incentive Plan		1,119	1,172
Total employee equity benefits reserve		**2,670**	**2,493**

(b) Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the financial year are as follows:

	Note	2020 $'000	2019 $'000
Rights issued under employee rights plans		230	700
Options issued under employee option plan		(53)	(263)
	9	**177**	**437**

(c) Legacy employee incentive schemes

Two existing legacy employee incentive schemes are still in place but have been discontinued with only the ordinary shares vested in previous financial years remaining in the share plans.

(d) Employee share plan share holdings

Information with respect to the number of ordinary shares issued and allocated under the employee share plans is as follows:

	2020 Number of Shares	2019 Number of Shares
At start of period	1,969,131	6,196,367
– issued for nil consideration (including unallocated shares in the employee share schemes allocated during the year)	544,317	3,615,352
– sold / transferred during the year	(1,033,359)	(3,186,957)
– lapsed during the year	–	(4,655,631)
	1,480,089	**1,969,131**

At 30 June 2020, the employee share plans also hold 7,654,098 ordinary shares (2019: 8,198,415) that are un-allocated to employees.

Recognition and measurement

The cost of these equity settled transactions with employees is measured by reference to the fair value at the date at which they are granted using an appropriate valuation model.

In valuing equity settled transactions, the performance conditions are all non-market measures and as such, are not taken into account in determining the fair values of the options.

The cost of equity settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award (the vesting period).

No expense is recognised for awards that do not ultimately vest.

19. Contingencies

Contingent liabilities

Performance guarantees totalling $0.736 million (2019: $3.436 million) have been provided in relation to wind farm construction projects which will expire by 1 May 2022. In addition, other bank guarantees totalling $3.529 million (2019: $4.040 million) have been provided to landlords and work cover authority. There are no other contingent liabilities identified at reporting date.

Section D: Other Disclosures (continued)

20. Auditor's Remuneration

During the year the following fees were paid or payable for services provided by KPMG Australia:

	2020 $	2019 $
Audit services		
– audit and review of financial statements	234,099	287,546
Taxation, due diligence and other services		
– taxation services	50,848	82,778
– other assurance services	46,575	–
Total taxation and other services	97,423	82,778
Total remuneration of KPMG Australia	**331,522**	**370,324**

21. Subsequent Events

The Board resolved to pay an unfranked interim dividend of 0.5 cents per share on 26 February 2020 with a record date of 31 March 2020. The dividend payment date, originally scheduled for 21 April 2020, was deferred to 2 October 2020 as a prudent measure to preserve cash as a result of the uncertainty created by the COVID-19 situation at that time. The record date for the deferred payment remains 31 March 2020 and the estimated liability based on the number of ordinary shares on issue at that date is $2.1 million. The dividend has not been provided for in the 30 June 2020 year end financial statements.

The Group has entered into a twenty four month, interest free payment plan with the ATO to settle the franking deficit tax liability of $4.447 million that existed at balance date. The Group will make monthly instalments of $185,308 commencing on 24 August 2020 and completing on 25 July 2022.

On 2 August 2020, the Victorian government declared a state of disaster and announced stage 4 restrictions for Melbourne and stage 3 restrictions for regional Victoria. Given the dynamic nature of these circumstances, the economic impact on the Victorian economy is not known. However, as at the date of this report the impact on the Group is not expected to be material.

The Group operates a travel tower business in Melbourne which is a supplier to essential services, telecommunications and energy customers. This business has been able to continue trading during the stage 4 restrictions albeit at a reduced volume. The Group operates a business in the Latrobe Valley that has not been materially impacted by the stage 3 restrictions to date with major customers being designated as essential services allowing trading to continue at similar volumes to normal. Project work in the state has also continued under stage 3 restrictions throughout the period.

The impact of these restrictions will be reflected in the Group's 2021 interim and annual financial statements.

22. New Accounting Policies and Standards

(a) Changes in accounting policies

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year, except for the adoption of the new accounting standards AASB 16 Leases. The nature and effect of the new accounting standard is disclosed below.

Standards	AASB 16 *Leases*
Nature of change	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.
Effective date	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.
Impact	**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. 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. 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.

Section D: Other Disclosures (continued)

22. New Accounting Policies and Standards (continued)

Standards	AASB 16 *Leases*
Impact (continued)	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. The impact of AASB 16 adoption at 1 July 2019 is as follows: • Right-of-use assets increased by $26.133 million; • Property, plant and equipment decreased by $3.738 million; • Lease receivables increased by $0.654 million; • Lease liabilities increased by $26.763 million; • Interest bearing loans and borrowings decreased by $3.726 million; • Prepayments decreased by $0.556 million; • Surplus lease space provision decreased by $0.544 million; • No impact on opening retained earnings; In applying AASB 16 for the first time, the Group has used the following practical expedients permitted by the standard: • the use of a single discount rate to a portfolio of leases with reasonably similar characteristics; • short term leases of 12 months or less and do not contain a purchase option were excluded; • lease contracts for which the underlying asset is of low value (circa. $10,000) were excluded; • applied only to leases that were previously identified as leases under the previous AASB 117 and IFRIC 4 standards at 1 July 2019; and • reliance on previous assessments on whether leases are onerous.

Standards	AASB 16 *Leases*

Impact (continued)

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.

The reconciliation of operating lease commitments disclosed at 30 June 2019 to opening lease liability at 1 July 2019 is as follows:

	1 July 2019 $'000
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	**26,763**

The impact of AASB 16 on the financial statements for the period is as follows:

	2020 $'000
Depreciation expense of right-of-use assets	(15,392)
Interest expense on lease liabilities	(1,633)
Interest income on sublease of right-of-use assets	110
Gains or (losses) on termination of leases	(49)
Rent expense – short-term leases and leases of low value assets	(1,033)
Total amounts recognised in profit or loss	**(17,997)**
Net cash flows from operating activities	12,839
Net cash flows from financing activities	(12,839)

		Right-of-use Assets						
	Note	**Rental Equip-ment $'000**	**Motor Vehicles $'000**	**Other Equip-ment $'000**	**Land & Buil-dings $'000**	**Total $'000**	**Lease Recei-vables $'000**	**Lease Liabi-lities $'000**
Opening carrying amount	(i)	10,982	4,961	122	10,068	**26,133**	654	26,763
Additions		7,469	3,360	4	1,317	**12,150**	1,937	10,156
Terminations		–	(24)	–	(4)	**(28)**	–	(24)
Depreciation expense		(8,015)	(2,660)	(56)	(4,661)	**(15,392)**	–	–
Impairment expense		–	–	–	(75)	**(75)**	–	–
Receipts / payments		–	–	–	–	**–**	(978)	(13,772)
Closing carrying amount		**10,436**	**5,637**	**70**	**6,645**	**22,788**	**1,613**	**23,123**

(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.

Standards	AASB 16 *Leases*
Impact (continued)	**Group as a lessor** On adoption of AASB 16, several property, plant and equipment leases that were sub-let by the Group were classified as finance leases and recognised as Lease receivables. The sub-leases have terms of between 2 to 3 years. The maturity analysis of lease receivables showing the undiscounted lease payments to be received after the reporting date is a follows:

	2020 $'000
– within one year	1,234
– after one year but not more than five years	443
Total undiscounted lease receivable	1,677
– future finance income	(64)
Net lease receivable	**1,613**

(b) New accounting standards and interpretations not yet adopted

There were no new standards, amendments to standards and interpretations not yet adopted that impacted the Group in the period of initial application.

DIRECTORS' DECLARATION

for the year ended 30 June 2020

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

   (a) the Consolidated Financial Statements and notes that are set out on pages 43 to 78, and the Remuneration Report in the Directors' Report, set out on pages 30 to 40, 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 30 June 2020 and of its performance for the financial year ended on that date; and

      (ii) complying with Accounting Standards, (including the Australian Accounting Interpretations) 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.

2. The Directors draw attention to page 47 to the Consolidated Financial Statements which includes a statement of compliance with International Financial Reporting Standards.

3. There are reasonable grounds to believe that the Company and the group entities identified in note 14 will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the Deed of Cross Guarantee between the Company and those group entities pursuant to ASIC Corporations Instrument 2016/785.

4. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 from the chief executive officer and chief financial officer for the financial year ended 30 June 2020.

Signed in accordance with a resolution of the Directors:

Maxwell Findlay
Chairperson

Tony Spassopoulos
Managing Director

Melbourne, 27 August 2020

Independent Auditor's Report

To the shareholders of Boom Logistics Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Boom Logistics Limited (the Company).

In our opinion, the accompanying Financial Report of the Company is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group***'s financial position as at 30 June 2020 and of its financial performance for the year ended on that date; and
- complying with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated Statement of financial position as at 30 June 2020
- Consolidated Statement of comprehensive income, Consolidated Statement of changes in equity, and Consolidated Statement of cash flows for the year then ended
- Notes including a summary of significant accounting policies
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with 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 Financial Report in Australia. We have fulfilled our other ethical responsibilities in accordance with the Code.

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

KPMG

Valuation of property, plant and equipment (AU$124.2m)	
Refer to Note 8 *Impairment Testing of Assets* to the Financial Report	
The key audit matter	**How the matter was addressed in our audit**

A key audit matter for us is the Group's valuation of its property, plant and equipment assets due to the:
• net assets of the Group exceeding the Group's market capitalisation at year end, which is an indicator of impairment;
• size of the balance (being 64.7% of total assets).
 	
The Group's policy is to measure the recoverable amount of its cash generating units (CGUs) using a fair value less costs of disposal model, primarily based on an assessment of fair value of operating assets (cranes and travel towers) received from their external expert. We have focused on the valuation methodology used by the Group's external expert, and the resulting assessment of fair value of operating assets (operating asset valuations) determined by the Group.
 	
We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.
	Our procedures included:
	• considering the appropriateness of the fair value less costs of disposal method applied by the Group to measure the recoverable amount of its CGUs against the requirements of the accounting standards;
	• assessing the Group's determination of the CGUs, based on our understanding of the operating structure of the Group's business, how independent cash inflows were generated and the criteria in the accounting standards;
	• assessing the scope, competence and objectivity of the Group's external expert involved in the assessment of fair value of the operating assets;
	• working with our valuation specialists:
	    • assessing the valuation methodology utilised by the Group's external expert against the requirements of the accounting standards and industry practice;
	    • assessing the operating asset valuations from the Group's external expert report against our experience regarding the feasibility of these in the industry and economic environment in which the Group operates;
	    • comparing a sample of the operating asset valuations across make, model and ageing categories within the Group's external expert report to recent comparable market transactions;
	    • comparing a sample of individual operating asset valuations within the external expert report to the proceeds from sales of assets during the year;
	    • inquiring with the Group's external expert in relation to the condition of the operating asset fleet, general crane and travel tower market conditions, and recent trends in the market;
	    • comparing the implied EBITDA multiples from available market data, including share market valuations, for comparable companies, to the implied EBITDA valuation multiple from the Group's internal forecasts;
	• assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

KPMG

Other Information

Other Information is financial and non-financial information in Boom Logistics Limited's annual reporting which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- implementing necessary internal control to enable the preparation of a Financial Report that gives a true and fair view and is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

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

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Boom Logistics Limited for the year ended 30 June 2020, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 30 to 40 of the Directors' report for the year ended 30 June 2020.

Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

Andrew Hounsell

Partner

Melbourne

27 August 2020

ASX ADDITIONAL INFORMATION

for the year ended 30 June 2020

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 27 July 2020.

(a) Distribution of Equity Securities

The number of shareholders, by size of holding, in each class of share are:

	Ordinary Shares	
	Number of Holders	**Number of Shares**
1 – 1,000	247	42,894
1,001 – 5,000	702	2,433,035
5,001 – 10,000	559	4,407,914
10,001 – 100,000	1,209	42,777,766
100,001 and over	300	378,112,598
	3,017	**427,774,207**
The number of shareholders holding less than a marketable parcel of shares are:	822	1,842,797

(b) Twenty Largest Shareholders

The names of the twenty largest holders of quoted shares are:

		Listed Ordinary Shares	
		Number of Shares	Percentage of Ordinary Shares
1	NATIONAL NOMINEES LIMITED	75,966,917	17.8%
2	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	54,186,815	12.7%
3	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	39,215,389	9.2%
4	GROVE INVESTMENT GROUP PTY LTD	22,097,309	5.2%
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	17,755,583	4.2%
6	HORRIE PTY LTD <HORRIE SUPERANNUATION A/C>	7,000,000	1.6%
7	HILLMORTON CUSTODIANS PTY LTD <THE LENNOX UNIT A/C>	5,143,000	1.2%
8	CPU SHARE PLANS PTY LTD <BOL EXEC REM PLAN A/C>	5,003,409	1.2%
9	HORRIE PTY LTD <HORRIE SUPERANNUATION A/C>	5,000,000	1.2%
10	TAVERNERS NO 11 PTY LTD <STONEYVILLE INVEST UNIT A/C>	4,783,507	1.1%
11	GWYNVILL TRADING PTY LTD	3,965,411	0.9%
12	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	3,773,569	0.9%
13	WALLBAY PTY LTD <THE MICHAEL ABELL S/F A/C>	3,717,457	0.9%
14	LUTON PTY LTD	3,587,005	0.8%
15	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,912,878	0.7%
16	S I J NOMINEES PTY LTD <THE S I J PARTNERSHIP A/C>	2,800,253	0.7%
17	STONEYVILLE PTY LTD <PETER SCANLON FAMILY SF A/C>	2,760,559	0.6%
18	BT PORTFOLIO SERVICES LIMITED <MITCHELL FAMILY SUPER A/C>	2,734,933	0.6%
19	MR BERNARD FRANCIS O'NEILL	2,707,844	0.6%
20	TARNI INVESTMENTS PTY LTD <HA & AR MORRIS FAMILY A/C>	2,687,538	0.6%
Top twenty shareholders		267,799,376	62.6%
Remainder		159,974,831	37.4%
Total		**427,774,207**	**100.0%**

(c) Substantial Holders

Substantial holders in the Company are set out below:

	Listed Ordinary Shares	
	Number of Shares	Percentage of Ordinary Shares
Castle Point Funds Management	37,615,645	8.8%
Rorema Beheer B.V.	35,380,342	8.3%
Greig & Harrison Pty Ltd	33,823,181	7.9%
Forager Funds Management Pty Ltd	22,543,977	5.3%
Grove Investment Group Pty Ltd	22,097,309	5.2%

(d) Voting Rights

All ordinary shares (whether fully paid or not) carry one vote per share without restriction.

(e) Unquoted Securities

There are 3,949,678 rights granted under the Executive Remuneration Plan outstanding held by 16 holders.

There are 26,214,991 options granted under the Executive Remuneration Plan outstanding held by 10 holders.

CORPORATE DIRECTORY

for the year ended 30 June 2020

Directors

Maxwell J Findlay (Chairperson)
Tony Spassopoulos
Melanie Alibon
Jean-Pierre JAM Buijtels
Terrence C Francis
Terence A Hebiton

Company Secretary

Malcolm Ross

Registered Office

Suite B Level 1,
55 Southbank Boulevard
Southbank VIC 3006
Telephone (03) 9207 2500
Fax (03) 9207 2400

Internet

www.boomlogistics.com.au

Share Registry

Computershare Investor Services Pty Ltd
452 Johnston Street
Abbotsford, Victoria, 3067
Investor Enquiries 1300 850 505

Annual General Meeting

Boom Logistics will hold its 2020 Annual General Meeting on Friday, 27 November 2020.

Boom Logistics Limited (ASX: BOL)

Suite B Level 1,
55 Southbank Boulevard
Southbank VIC 3006
Telephone (03) 9207 2500
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