



ABN 28 095 466 961

**Interim Financial Report
for the six months ended 31 December 2022**

Table of Contents

Description	Page
Directors' Report	3
Lead Auditor's Independence Declaration	7
Consolidated Interim Statement of Comprehensive Income	8
Consolidated Interim Statement of Financial Position	9
Consolidated Interim Statement of Cash Flows	10
Consolidated Interim Statement of Changes in Equity	11
About This Report	12
<u>Section A: Financial Performance</u>	14
1 Segment Reporting	14
2 Revenue from Contracts with Customers	17
3 Other Income and Expenses	19
4 Income Tax	20
5 Earnings Per Share	21
<u>Section B: Operating Assets and Liabilities</u>	22
6 Property, Plant and Equipment	22
7 Impairment Testing of Non-Financial Assets	23
<u>Section C: Funding Structures</u>	24
8 Interest Bearing Loans and Borrowings	24
9 Contributed Equity	25
<u>Section D: Other Disclosures</u>	26
10 Leases	26
11 Share-based Payments	29
12 Commitments	30
13 Contingencies	30
14 Subsequent Events	30
15 Changes in Significant Accounting Policies	30
Directors' Declaration	31
Independent Auditor's Review Report	32

DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Boom Logistics Limited ("Boom Logistics" or "the Company") and the entities it controlled for the half-year ended 31 December 2022.

Directors

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

Ms Melanie Allibon	Chair (independent, non-executive)
Mr Tony Spassopoulos	Former Managing Director (executive) (stepped down 14 February 2023)
Mr Ben Pieyre	Interim Managing Director (executive) (appointed 15 February 2023)
Mr Stephen Grove	Director (non-independent, non-executive)
Mr Kieran Pryke	Director (independent, non-executive)
Mr Damian Banks	Director (independent, non-executive)
Mr James Scott	Director (independent, non-executive)

Nature of Operations and Principal Activities

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

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 below.

DIRECTORS' REPORT (continued)

Operating and Financial Review

Results Summary

	31-Dec-22	31-Dec-21	Change	Change
	\$'m	\$'m	\$'m	%
Revenue	99.5	123.5	(24.0)	-19.4%
Operating Costs	(79.5)	(101.2)	21.7	-21.4%
EBITDA	20.0	22.3	(2.3)	-10.3%
Depreciation and Amortisation	(16.7)	(17.9)	1.2	-6.7%
EBIT*	3.3	4.4	(1.1)	-25.0%
(Loss) / Profit on Sale of Assets	(0.3)	0.2	(0.5)	
Net Borrowing Costs	(2.2)	(1.7)	(0.5)	29.4%
NPBT	0.8	2.9	(1.6)	-55.2%
NPAT	0.8	2.9	(2.1)	-72.4%

* EBIT excludes (loss) / profit on sale of assets

Profit & Loss

Revenue was \$99.5 million, down \$24 million or 19% versus pcp (1H FY22: \$123.5 million), due to the completion of major projects (BHP's SCM21 shutdown, Bango and Coopers Gap wind farms) in 1H FY22.

EBITDA of \$20 million was recorded during the period (\$22.3 million in 1H FY22). Importantly, the EBITDA margin increased to 20% driven by a combination of improved pricing terms and the benefit of cost saving initiatives that offset the increased cost of doing business (including labour, fuel and maintenance).

Capital and Cash flow

Net Cash Flow from Operations was \$19.2 million for 1H FY23 (1H FY22: \$23.4 million) which was in line with operating activity.

The supply of new assets remains constrained on a global basis with long lead times. The recent delivery of new assets in late 1H FY23 (Net Capex: \$18.5 million) continues the Company's strategy to support customer contracts, refreshing the fleet profile, and increasing profitability.

Net debt¹ was \$40.6 million (c. 35.9 % gearing) which is in line with Board guidelines. Net assets increased to \$111.7 million. Net tangible assets per share remained at \$0.26.

No dividends were declared during the period.

¹ Net Debt includes interest bearing loans and borrowings plus finance lease liabilities less cash, and excludes operating lease liabilities under AASB 16.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

Operations Summary

The Group delivers lifting solutions across four key segments of Mining & Resources, Wind, Energy & Utilities, Infrastructure and Industrial Maintenance & Telecommunications.

Mining and Resources

Revenue in the Mining & Resources segment was down on the pcp. BHP's SCM21 shutdown generated circa \$18 million in 1H FY22, which was non-recurring. Aside from this project, the underlying business grew by \$8.4 million or 13% compared to pcp with increased activity in Western Australia and the Hunter Valley in NSW. New contracts were also signed with Sojitz Gregory Mining (Gregory Coal Mine in QLD) and Newcrest Operations (Telfer Mine in WA) which we begin servicing in 2H FY23.

Wind, Energy & Utilities

Revenue in the Wind, Energy & Utilities segment was down \$12.2 million for 1H FY23 compared to pcp as a result of delays to major new Wind Farm projects and the completion of the Bango and Coopers Gap projects. The Clarke Creek Wind Farm contract was recently executed and works will commence in 2H FY23. Other recent wins include the South Australia to New South Wales and the Queensland Interconnector works and the Hazelwood Battery project (Vic).

Infrastructure

Revenue in the Infrastructure segment was down \$1.1 million compared to pcp, primarily impacted by delays at Snowy 2.0 project, which is expected to return to full capacity in 2H FY23. Other underlying improvement in revenues consisted of new projects such as: Cross River Rail (QLD) and Mitchell Freeway extension (WA).

Industrial Maintenance, Telecommunications and Other

Revenue in Industrial Maintenance, Telecommunications and Other was down \$1.1 million compared to pcp on the back of lighter activity across the general market.

DIRECTORS' REPORT (continued)

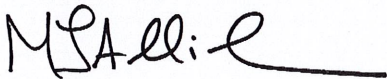
Auditor's Independence Declaration to the Directors

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 7.

Rounding

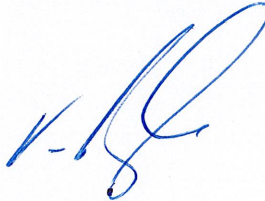
The amounts contained in this report and in the financial report are presented in Australian dollars and have been rounded to the nearest \$1,000 (where rounding is applicable) under the option available under ASIC Corporations Instrument 2016/191. The Group is of a kind to which the Corporations Instrument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

Signed in accordance with a resolution of the Directors.



Melanie Allibon
Chair

Melbourne, 23 February 2023



Kieran Pryke
Director

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Auditor's Independence Declaration

To the Directors of Boom Logistics Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Boom Logistics Limited for the half-year ended 31 December 2022, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants



A C Pitts
Partner – Audit & Assurance

Melbourne, 23 February 2023

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

Consolidated Interim Statement of Comprehensive Income
for the half-year ended
31 December 2022

	Note	2022 \$'000	2021 \$'000
Revenue	2	99,500	123,492
Other income	3(a)	31	226
Salaries and employee benefits expense		(50,309)	(50,427)
Equipment service and supplies expense	3(b)	(23,276)	(42,229)
Operating lease expense		(38)	(281)
Other expenses	3(b)	(6,171)	(8,250)
Depreciation expense		(7,237)	(8,402)
Depreciation expense - Right-of-use assets	10	(9,436)	(9,489)
		-----	-----
Profit before financing expense and income tax		3,064	4,640
Financing expense	8	(1,012)	(1,044)
Financing expense - Lease liabilities	10	(1,272)	(698)
		-----	-----
Profit before income tax		780	2,898
Income tax	4	-	-
		-----	-----
Net profit attributable to members of Boom Logistics Limited		780	2,898
		=====	=====
Other comprehensive income			
<i>Items that may be reclassified subsequently to profit or loss</i>			
Cash flow hedges recognised in equity, net of tax		-	(18)
		-----	-----
Other comprehensive income / (loss) for the period, net of tax		-	(18)
		-----	-----
Total comprehensive income for the period attributable to members of Boom Logistics Limited		780	2,880
		=====	=====
Basic earnings per share (cents per share)	5	0.18	0.68
Diluted earnings per share (cents per share)	5	0.18	0.67

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

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

Consolidated Interim Statement of Financial Position
as at 31 December 2022

	Note	31 December 2022 \$'000	30 June 2022 \$'000
CURRENT ASSETS			
Cash and cash equivalents		2,183	2,414
Trade receivables, contract assets and other receivables	2	41,591	41,469
Inventories, prepayments and other current assets		5,119	2,994
TOTAL CURRENT ASSETS		48,893	46,877
NON-CURRENT ASSETS			
Property, plant and equipment	6	99,935	107,693
Right-of-use assets	10	57,393	36,214
TOTAL NON-CURRENT ASSETS		157,328	143,907
TOTAL ASSETS		206,221	190,784
CURRENT LIABILITIES			
Trade and other payables		16,634	14,912
Interest bearing loans and borrowings	8	10,046	17,375
Lease liabilities	10	20,336	14,920
Employee provisions		9,376	9,929
Other provisions and liabilities		5,830	4,709
Income tax payable	4	-	185
TOTAL CURRENT LIABILITIES		62,222	62,030
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	8	42	-
Lease liabilities	10	28,828	15,112
Employee provisions		284	368
Other provisions and liabilities		3,155	3,043
Deferred tax liabilities		3	3
TOTAL NON-CURRENT LIABILITIES		32,312	18,526
TOTAL LIABILITIES		94,534	80,556
NET ASSETS		111,687	110,228
EQUITY			
Contributed equity	9	310,327	310,327
Retained losses		(202,454)	(203,234)
Reserves		3,814	3,135
TOTAL EQUITY		111,687	110,228

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

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

Consolidated Interim Statement of Cash Flows
for the half-year ended
31 December 2022

	Note	2022 \$'000	2021 \$'000
Cash flows from operating activities			
Receipts from customers		110,404	132,185
Payments to suppliers and employees		(88,909)	(107,126)
Interest paid		(894)	(924)
Interest paid - Lease liabilities		(1,272)	(698)
Interest received		31	10
Income tax paid		(185)	(1,112)
		-----	-----
Net cash provided by operating activities		19,175	22,335
		-----	-----
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,727)	(1,665)
Proceeds from the sale of property, plant and equipment		3,973	1,119
		-----	-----
Net cash provided by / (used in) investing activities		246	(546)
		-----	-----
Cash flows from financing activities			
Payment of dividends		-	(4,278)
Repayment of borrowings		(7,405)	(7,034)
Repayment of lease liabilities	10	(12,247)	(10,321)
Receipts from finance leases as lessor		-	437
		-----	-----
Net cash used in financing activities		(19,652)	(21,196)
		-----	-----
Net (decrease) / increase in cash and cash equivalents		(231)	593
Cash and cash equivalents at the beginning of the period		2,414	2,347
		-----	-----
Cash and cash equivalents at the end of the period		2,183	2,940
		=====	=====

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

**Consolidated Interim Statement of Changes in Equity
for the half-year ended
31 December 2022**

Note	Contributed Equity \$'000	Retained Losses \$'000	Retained Profits \$'000	Cash Flow Hedge Reserve \$'000	Employee Equity Benefits Reserve \$'000	Total Equity \$'000
At 1 July 2021	310,327	(201,838)	1,230	(33)	3,049	112,735
Profit for the half-year	-	-	2,898	-	-	2,898
Other comprehensive loss	-	-	-	(18)	-	(18)
Total comprehensive income	-	-	2,898	(18)	-	2,880
Transactions with owners in their capacity as owners:						
Share-based payments	-	-	-	-	368	368
Dividends paid	-	(4,278)	-	-	-	(4,278)
At 31 December 2021	310,327	(206,116)	4,128	(51)	3,417	111,705
At 1 July 2022	310,327	(208,255)	5,021	-	3,135	110,228
Profit for the half-year	-	-	780	-	-	780
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	-	-	780	-	-	780
Transactions with owners in their capacity as owners:						
Share-based payments	-	-	-	-	679	679
At 31 December 2022	310,327	(208,255)	5,801	-	3,814	111,687

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

About This Report

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2022 was authorised for issue in accordance with a resolution of the Board of Directors on 23 February 2023.

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

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

This general purpose financial report for the half-year ended 31 December 2022 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual financial report as at and for the year ended 30 June 2022.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2022 and considered together with any public announcements made by Boom Logistics Limited during the half-year ended 31 December 2022 in accordance with the continuous disclosure obligations of the ASX listing rules.

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

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

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

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

About This Report (continued)

Going concern assumption

In preparing the financial report, the Directors have made an assessment of the ability of the Group to continue as a going concern, which contemplates the continuity of business operations, realisation of assets and settlement of liabilities in the ordinary course of business and at the amounts stated in the financial report.

At 31 December 2022, the Group had a net current asset deficiency (current assets less current liabilities) of \$13.329 million. The current asset deficiency is impacted by the classification of the trade receivables loan of \$9.816 million which fall due under existing arrangements in December 2023 (refer to note 9). The Directors are confident that a suitable renewal will be achieved before the loan falls due.

In addition, the Directors have considered the following:

- During the period, the Group made a net profit of \$0.780 million;
- The Group maintains a positive net assets / total equity position of \$111.687 million;
- Net cash provided by operating activities generated \$19.175 million during the period; and
- Forecast results for the remainder of the financial year is expected to be positive based on best-estimate assumptions at the time;

After making enquiries and considering the matters described above, the Directors have a reasonable expectation that the Group will have adequate resources to continue to meet its obligations as they fall due. For these reasons, the Directors continue to adopt the going concern basis in preparing the financial report.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section A: Financial Performance

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

1. Segment Reporting

Description of operating segments

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

The business is considered from a product perspective and has one reportable segment:

- "Lifting Solutions", which consists of all lifting activities including the provision of cranes, travel towers, access equipment and all associated services.

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

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section A: Financial Performance (continued)

1. Segment Reporting (continued)

Segment information

	Lifting Solutions \$'000	Other * \$'000	Consolidated \$'000
Half-year ended: 31 December 2022			
Segment revenue			
Total external revenue	99,500	-	99,500
Inter-segment revenue	-	-	-
	-----	-----	-----
Total segment revenue	99,500	-	99,500
Other income			31

Total revenue and other income			99,531
			=====
Segment result			
Operating result	22,044	(2,040)	20,004
Net loss on disposal of property, plant and equipment	(298)	-	(298)
Depreciation expense	(16,549)	(124)	(16,673)
	-----	-----	-----
Profit before net interest and tax	5,197	(2,164)	3,033
	-----	-----	-----
Net interest	(2,238)	(15)	(2,253)
Income tax			-

Profit from continuing operations			780
			=====
Segment assets and liabilities			
Segment assets	203,958	2,263	206,221
Segment liabilities	87,841	6,693	94,534
	-----	-----	-----
Additions to non-current assets	33,613	781	34,394

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section A: Financial Performance (continued)

1. Segment Reporting (continued)

Segment information (continued)

	Lifting Solutions \$'000	Other * \$'000	Consolidated \$'000
Half-year ended: 31 December 2021			
Segment revenue			
Total external revenue	123,492	-	123,492
Inter-segment revenue	-	-	-
	-----	-----	-----
Total segment revenue	123,492	-	123,492
Other income			226

Total revenue and other income			123,718
			=====
Segment result			
Operating result	25,836	(3,531)	22,305
Net profit on disposal of property, plant and equipment	216	-	216
Depreciation expense	(17,665)	(226)	(17,891)
	-----	-----	-----
Profit before net interest and tax	8,387	(3,757)	4,630
	-----	-----	-----
Net interest	(1,723)	(9)	(1,732)
Income tax			-

Profit from continuing operations			2,898
			=====
Year ended: 30 June 2022			
Segment assets and liabilities			
Segment assets	189,822	962	190,784
Segment liabilities	77,445	3,111	80,556
	-----	-----	-----
Additions to non-current assets	33,231	-	33,231

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section A: Financial Performance (continued)

2. Revenue from Contracts with Customers

Disaggregation of revenue from contracts with customers

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

<i>Industry segment</i>	<i>Note</i>	Lifting Solutions \$'000	Labour Services \$'000	Consolidated \$'000
<i>Half-year ended 31 December 2022</i>				
Mining & resources		55,404	-	55,404
Wind, energy, & utilities		17,099	-	17,099
Infrastructure & construction		15,643	-	15,643
Industrial maintenance, telecommunications & other		11,354	-	11,354
		-----	-----	-----
Total revenue from contracts with customers		99,500	-	99,500
		=====	=====	=====
<i>Timing of revenue recognition</i>				
Services transferred over time		99,500	-	99,500
		=====	=====	=====
<i>Half-year ended 31 December 2021</i>				
Mining & resources		65,022	-	65,022
Wind, energy, & utilities		29,257	-	29,257
Infrastructure & construction		16,700	94	16,794
Industrial maintenance, telecommunications & other		12,276	143	12,419
		-----	-----	-----
Total revenue from contracts with customers		123,255	237	123,492
		=====	=====	=====
<i>Timing of revenue recognition</i>				
Services transferred over time		123,255	237	123,492
		=====	=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section A: Financial Performance (continued)

2. Revenue from Contracts with Customers (continued)

Contract balances

	Note	31 December 2022 \$'000	30 June 2022 \$'000
Trade and other receivables		37,326	38,450
Contract assets	(i)	4,265	3,019
		-----	-----
Total trade receivables, contract assets and other receivables		41,591	41,469
		=====	=====

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

Recognition and measurement

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

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

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

Key estimate and judgement

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section A: Financial Performance (continued)

	2022 \$'000	2021 \$'000
3. Other Income And Expenses		
(a) Other income		
Profit on disposal of plant and equipment	-	216
Interest income	31	5
Interest income - Lease receivables	-	5
	-----	-----
Total other income	31	226
	=====	=====
(b) Expenses		
External equipment hire	4,263	11,963
External labour hire	5,103	13,969
Maintenance	5,298	6,471
Fuel	2,234	1,615
External transport	2,132	3,802
Employee travel and housing	847	1,269
Other reimbursable costs (on-charged to customers)	663	659
Other equipment services and supplies	2,736	2,481
	-----	-----
Total equipment services and supplies expense	23,276	42,229
	=====	=====
Employee related	1,126	1,815
Insurance and compliance	2,299	2,610
IT and communications	1,382	1,424
Occupancy	626	576
Other overheads	440	1,825
Loss on disposal of plant and equipment	298	-
	-----	-----
Total other expense	6,171	8,250
	=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section A: Financial Performance (continued)

	2022 \$'000	2021 \$'000
4. Income Tax		
A reconciliation between tax benefit and the accounting profit before income tax is as follows:		
Accounting profit before tax from continuing operations	780	2,898
At the Group's statutory income tax rate of 30% (2021: 30%)	234	869
Expenditure not allowable for income tax purposes	16	30
Adjustments for current tax of prior periods	(250)	-
Previously unrecognised tax credits now recouped to reduce current tax expense	-	(1,817)
Derecognition of tax losses recognised in previous years	-	918
	-----	-----
Income tax	-	-
	=====	=====

Tax losses

As at 31 December 2022, the Group has total tax losses of \$31.711 million tax effected (30 June 2022: \$31.165 million tax effected). \$3.345 million of these losses have been recognised on balance sheet and \$28.366 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 credits of \$1.281 million that can also be used to offset future tax payable.

Key estimate and judgement

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section A: Financial Performance (continued)

5. Earnings Per Share

Basic earnings per share of \$0.18 (2021: \$0.68) are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.

Diluted earnings per share of \$0.18 (2021: \$0.67) are calculated by dividing the net profit attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

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

	Note	2022 \$'000	2021 \$'000
Net profit after tax		780	2,898
		No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share		427,774,207	427,774,207
<i>Effect of dilutive securities:</i>			
- employee share awards	(i)	-	4,381,980
		-----	-----
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		427,774,207	432,156,187
		=====	=====
Number of ordinary shares at half-year end		427,774,207	427,774,207
		=====	=====

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section B: Operating Assets and Liabilities

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

6. Property, Plant and Equipment	Rental Equipment \$'000	Motor Vehicles \$'000	Machinery, Furniture, Fittings & Equipment \$'000	Freehold Land & Buildings \$'000	Total \$'000
Half-year ended 31 December 2022					
Carrying amount at beginning net of accumulated depreciation and impairment	104,813	1,422	134	1,324	107,693
Additions	3,703	48	-	-	3,751
Disposals	(4,244)	(28)	-	-	(4,272)
Transfers	(71)	71	-	-	-
Depreciation charge for the period	(6,817)	(301)	(61)	(58)	(7,237)
	-----	-----	-----	-----	-----
Carrying amount at end net of accumulated depreciation and impairment	97,384	1,212	73	1,266	99,935
	=====	=====	=====	=====	=====
Closing balance at 31 December 2022					
At cost	267,746	17,734	6,003	3,120	294,603
Accumulated depreciation	(170,362)	(16,522)	(5,930)	(1,854)	(194,668)
	-----	-----	-----	-----	-----
Net carrying amount	97,384	1,212	73	1,266	99,935
	=====	=====	=====	=====	=====

Key estimate and judgement

Property, plant and equipment

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

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section B: Operating Assets and Liabilities (continued)

7. Impairment Testing of Non-Financial Assets

Key estimate and judgement

The carrying values of the CGU's fixed assets were tested at 31 December 2022 by reference to management's assessment of their fair value less costs of disposal. Fair value was determined after considering information from a variety of sources including a valuation obtained from an independent valuer dated 14 December 2022. The Group has classified the assessment as Level 2 in the fair value hierarchy (as per AASB 13) where "inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly".

The independent valuation supported the carrying value of the CGU's fixed assets as stated in the consolidated interim statement of financial position. The evaluation is consistent with the Group's assessment of the economic environment, lengthening lead times for new equipment and second hand asset values. Consequently, no impairment adjustment to the carrying value of fixed assets was considered necessary at 31 December 2022.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section C: Funding Structures

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

	Note	31 December 2022 \$'000	30 June 2022 \$'000
8. Interest bearing loans and borrowings			
<i>Current</i>			
Loans	(i)	10,046	17,493
Prepaid borrowing costs		-	(118)
		-----	-----
Total current interest bearing liabilities		10,046	17,375
		=====	=====
<i>Non current</i>			
Loans	(i)	42	-
		-----	-----
Total non-current interest bearing liabilities		42	-
		-----	-----
Total interest bearing liabilities		10,088	17,375
		=====	=====

(i) Loans includes an amortising loan of \$0.271 million which expires in February 2024.

Current loans also includes the receivables finance facility that has a committed facility limit to December 2023. The drawings made under the committed facility limit are however revolving in nature and accordingly, the debt of \$9.816 million outstanding under the facility at half-year end has been disclosed as a current liability. Amounts outstanding under the facility are not required to be repaid until December 2023 at the end of the facility term.

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section C: Funding Structures (continued)

8. Interest Bearing Loans and Borrowings (continued)

Terms and debt repayment schedule

		Weighted average interest rate	Year of maturity	31 December 2022 \$'000	30 June 2022 \$'000
	Currency			Carrying amount	
Trade receivables loan	AUD	9.70%	December 2023	9,816	17,132
Finance arrangement	AUD	6.34%	February 2024	271	361
Prepaid borrowing costs				-	(118)
Total interest bearing liabilities				10,087	17,375

	2022 \$'000	2021 \$'000
Financing expense		
Interest expense	718	715
Borrowing costs - amortisation (non-cash)	118	120
Borrowing costs - other	176	209
Total financing expense	1,012	1,044

Covenant position

The Group is not subject to any financial covenants under existing facilities.

9. Contributed Equity

	31 December 2022 \$'000	30 June 2022 \$'000
Issued and fully paid ordinary shares	310,327	310,327
	31 December 2022	
	No. of shares	\$'000
Movements in ordinary shares on issue		
Beginning and end of the half-year	427,774,207	310,327

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section D: Other Disclosures

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

10. Leases

Group as a lessee

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

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

	2022	2021
	\$'000	\$'000
<i>Statement of Comprehensive Income</i>		
Depreciation expense of right-of-use assets	(9,436)	(9,489)
Interest expense on lease liabilities	(1,272)	(698)
Interest income on sublease of right-of-use assets	-	5
Losses on termination of leases	-	(1)
Rent expense - short-term leases and leases of low value assets	(38)	(281)
	-----	-----
Total amounts recognised in profit or loss	(10,746)	(10,464)
	=====	=====
<i>Statement of Cash Flows</i>		
Net cash flows from operating activities	12,247	9,884
Net cash flows from financing activities	(12,247)	(9,884)
	=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section D: Other Disclosures (continued)

10. Leases (continued)

Statement of Financial Position

	Note	Right-of-use Assets				Total \$'000	Lease Liabilities \$'000
		Rental Equipment \$'000	Motor Vehicles \$'000	Other Equipment \$'000	Land & Buildings \$'000		
Half-year ended 31 December 2022							
Opening carrying amount		28,149	3,512	12	4,541	36,214	30,032
Additions		27,612	947	51	2,033	30,643	31,407
Terminations		-	-	-	(28)	(28)	(28)
Depreciation expense		(6,343)	(1,041)	(22)	(2,030)	(9,436)	-
Transfers		(326)	-	-	326	-	-
Receipts / payments		-	-	-	-	-	(12,247)
Closing carrying amount		49,092	3,418	42	4,841	57,393	49,164
Current							20,336
Non-current							28,828
Total lease liabilities							49,164

Recognition and measurement

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section D: Other Disclosures (continued)

10. Leases (continued)

Recognition and measurement (continued)

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

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

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

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

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

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

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section D: Other Disclosures (continued)

11. Share-based Payments

The terms and conditions of the executive remuneration plans remain the same as at 30 June 2022. Movements in the executive remuneration plans during the period are as follow:

	Salary Sacrifice Rights Plan		Short Term Incentive Plan		Long Term Incentive Plan	
	Average fair value per right	No. of rights	Average fair value per right	No. of rights	Average exercise price per option	No. of options
At start of period	\$0.1237	3,050,632	\$0.1611	2,180,615	\$0.1678	32,566,714
Granted during the period	\$0.1685	480,692	\$0.1509	2,627,769	-	-
Exercised during the period	-	-	\$0.1425	(40,334)	-	-
Lapsed during the period	-	-	-	-	\$0.1450	(2,803,319)
Forfeited during the period	-	-	-	-	\$0.1740	(3,304,125)
At end of period	\$0.1298	3,531,324	\$0.1557	4,768,050	\$0.1694	26,459,270

	31 December 2022 \$'000	30 June 2022 \$'000
<i>Carrying values</i>		
Salary Sacrifice Rights Plan	1,085	1,003
Short Term Incentive Plan	1,386	989
Long Term Incentive Plan	1,343	1,143
	-----	-----
Total employee equity benefits reserve	3,814	3,135
	=====	=====

Notes to the Interim Consolidated Financial Statements

Half-Year Ended 31 December 2022

Section D: Other Disclosures (continued)

	2022 \$'000	2021 \$'000
12. Commitments		
(a) Capital commitments		
Capital expenditure contracted for at reporting date but not recognised in the financial statements are as follows:		
<i>Property, plant and equipment</i>		
- within one year	2,859	8,119
	-----	-----
	2,859	8,119
	=====	=====

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

13. Contingencies

Contingent liabilities

Performance guarantees totalling \$1.865 million (30 June 2022: \$1.343 million) have been provided to landlords and work cover authority. There are no other contingent liabilities identified at reporting date.

14. Subsequent Events

On 14 February 2023, Tony Spassopoulos stepped down as Chief Executive Officer and Managing Director of the company. Boom's Chief Operating Officer Ben Pieyre has assumed the role of Interim Chief Executive Officer effective 15 February 2023. Mr. Spassopoulos will remain available to assist Mr. Pieyre and the management team. His last day with Boom will be 14 August 2023.

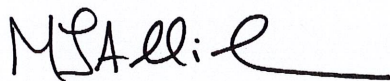
15. Changes in Significant Accounting Policies

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

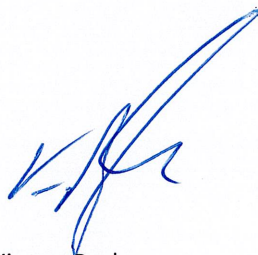
Directors' Declaration

1. In the opinion of the Directors of Boom Logistics Limited ("the Company"):
 - (a) the consolidated interim financial statements and notes that are set out on pages 8 to 30 are in accordance with the Corporations Act 2001, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
 - (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and
 - (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:



Melanie Allibon
Chair



Kieran Pryke
Director

Melbourne, 23 February 2023

Grant Thornton Audit Pty Ltd

Level 22 Tower 5
Collins Square
727 Collins Street
Melbourne VIC 3008
GPO Box 4736
Melbourne VIC 3001
T +61 3 8320 2222

Independent Auditor's Review Report

To the Members of Boom Logistics Limited

Report on the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Boom Logistics Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Boom Logistics Limited does not comply with the *Corporations Act 2001* including:

- a giving a true and fair view of the Group's financial position as at 31 December 2022 and of its performance for the half-year ended on that date; and
- b complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

www.grantthornton.com.au

ACN-130 913 594

Grant Thornton Audit Pty Ltd ACN 130 913 594 a subsidiary or related entity of Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389. 'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires. Grant Thornton Australia Limited is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate one another and are not liable for one another's acts or omissions. In the Australian context only, the use of the term 'Grant Thornton' may refer to Grant Thornton Australia Limited ABN 41 127 556 389 ACN 127 556 389 and its Australian subsidiaries and related entities. Liability limited by a scheme approved under Professional Standards Legislation.

Directors' responsibility for the half-year financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2022 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants



A C Pitts
Partner – Audit & Assurance

Melbourne, 23 February 2023