BOOM

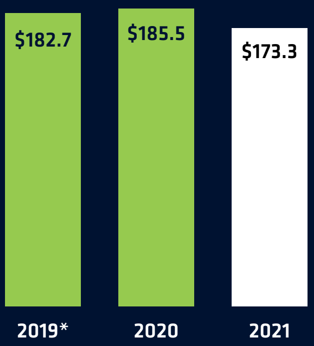
2021 Annual Report

CONTENTS

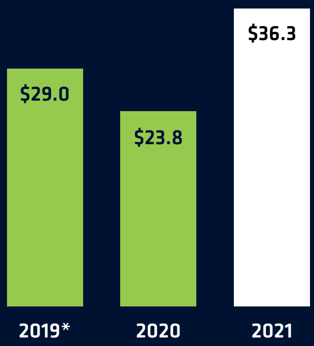
AT BOOM, we deliver safe lifting solutions, with scale and precision, every time. Managing risk and complexity with confidence – that's the promise we make to our customers.

2021 HIGHLIGHTS

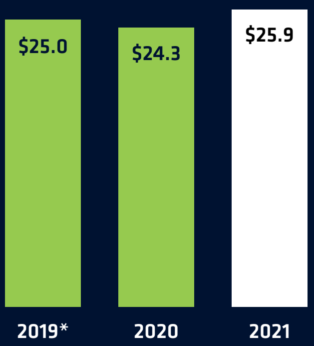
Revenue $m



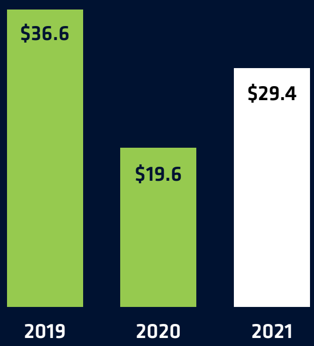
EBITDA $m



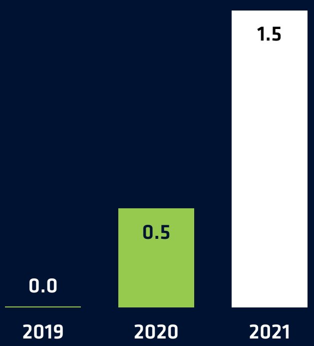
Operating Cash Flow before Tax $m



Net Debt $m



Dividends cents



* Converted for comparison with current AASB16 standard

Annual General Meeting

Boom Logistics will hold its 2021 Annual General Meeting at 11.00am on Friday, 26 November 2021. Details will be provided in the Notice of Meeting.

boomlogistics.com.au

CHAIRMAN'S REPORT

1.5c

dividends to shareholders in FY21

The company has returned to profit and continued to diversify during FY21.

The strategy is underpinned by capital expenditure to support ongoing growth and fleet renewal. We completed the year with an improved return on capital, a strong portfolio of work in progress and a sound balance sheet. Each division – crane services, projects and travel towers – performed well, generating solid returns for the year.

It is pleasing to report a net profit of $1.2 million, the first net profit since 2012 and the Board has resolved to pay a final dividend for FY21, the third dividend since FY20. This was a sound improvement on the after-tax loss in FY20 which included impacts from COVID-related delays to projects and shutdown maintenance, a one-off $4.45 million franking deficit tax expense (which is being progressively repaid over FY21 and FY22) and a loss-making project.

Over the year, successes included completion of a wind farm project at Moorabool South, commencement of works for Snowy 2.0, infrastructure work at Parramatta Light Rail and a solid performance from travel towers following restructure as a stand-alone business two years ago.

We plan to develop business in sectors which are benefiting from strong markets, new technology rollout and federal government spending. Our confidence that this will maximise returns for the business and its shareholders was reflected in the decision to resolve to pay a final dividend of 1 cent per share, unfranked. This followed an interim dividend of 0.5 cents, unfranked, taking dividends for the year to 1.5 cents.

Net debt continues to be managed in the range 20%-35% of total equity, and at 30 June 2021 was 26%. In December 2020, we commenced a new three-year finance facility on favourable terms. The company's net debt at 30 June 2021 was $29.4 million, down from circa $50 million in 2016 and reflective of a concerted effort to retire older assets and debt to position the company for future growth.

The company is now investing in assets to support growth and reduce its fleet age, after taking several years to consolidate its financial position. The capital recycling program supports investment in new crane and travel tower assets which service large projects and existing contracts, and net capital expenditure for the year was $14.7 million. This investment combines the advantages of a modern, more capable fleet with ongoing work – positioning Boom Logistics to the forefront of its industry. Our targeted capital investment and a strong pipeline of business in mining, telecommunications, infrastructure and energy markets provides a sound foundation for continued expansion of the business.

The company is building a stronger, more modern platform, utilising the opportunities provided by work such as the Smelter Campaign Maintenance 2021 (SCM21) project at BHP Olympic Dam, further shutdown prospects in central Queensland and growth opportunities in north-west Western Australia.

We continued to operate through the pandemic which brought project delays and restrictions on interstate travel and fly-in, fly-out labour workforce. The health and safety of our people remains our top priority while meeting the business expectations of our customers. Early action to improve processes and protect staff has enabled us to operate effectively despite COVID constraints and challenges presented.

Across our business, mining maintenance and resources activity was healthy in Queensland, Western Australia and South Australia. However, our mining services business experienced weakness in New South Wales. Boom Logistics' renewable energy strength is in the construction and maintenance of wind farms, which represents more than one-third of Australia's renewable energy supply. Boom has accumulated significant industry expertise and a track record of successful projects in the sector. In FY21, this sector provided 23% of Boom Logistics' revenue.

Another key sector is the infrastructure market. Boom Logistics is providing cranes and travel towers supporting the development of projects such as Snowy 2.0 as the federal government invests to support Australia's infrastructure-led recovery from the COVID-19 pandemic. We are also focused on the telecommunications sector, where mobile telecommunications infrastructure requires significant investment to achieve the deployment of 5G spectrum bands. These are all large, sustainable markets that provide scope for Boom Logistics to leverage its national service capability and benefit from capital recycling and investment in new cranes and travel towers.

Our business is supported by the hard work and dedication of our people. On behalf of the board, I would like to thank Tony Spassopoulos and the executive team as they build a safe and strong culture across our business.

The Board is undergoing significant change and rejuvenation. Since this time last year, Terry Francis and Jean-Pierre Buijtels have retired and we appointed Stephen Grove and Kieran Pryke as directors. Further board renewal is planned. I take this opportunity to announce my intention to retire from the Board at the AGM in 2021 and to thank Jack Hebiton for his many years of service to Boom as he also retires at the AGM and does not seek re-election.

As we enter a new year, the company is positioned for future success. The Board maintains positive expectations for continued growth, return on investment and profitability. We have a capable team, a sound balance sheet, and a strong pipeline of opportunities. I look forward to Boom's continued progression over the years ahead.

Maxwell J Findlay
Chairman

Net profit

$1.2m

BUSINESS OVERVIEW

Delivering lifting solutions, with scale and precision.

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
- Bridge installations, rail and infrastructure construction
- Energy and high voltage powerline construction
- Wind farm maintenance programs

Travel towers

Key Operations

- Telecommunications – 5G and data network upgrades and connections
- Transmission 'string-line' installation works on wind farms
- Interconnector & power grid projects
- High voltage transmission line maintenance

readi

Key Operations

- Mining shutdown and maintenance labour
- Oil and Gas maintenance services
- Construction, heavy industry and windfarm specialised labour services

Total revenue

$173m

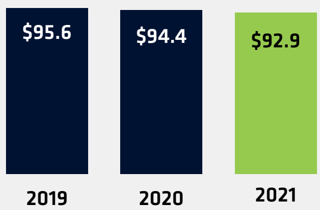
Achievements

- Contract renewals signed with Anglo American, Australian Paper, Coronado Curragh, FQM Australia
- Major shutdowns completed for Boddington Gold, BMA, Bulga, MTW and Australian Paper

Outlook

- BHP Olympic Dam Smelter Campaign Maintenance (SCM21) project underway in 1H FY22
- Solid book of maintenance work and growth from new customers in central Queensland and North West WA
- Pipeline of new business opportunities across the mining and industrial sectors

Revenue $m



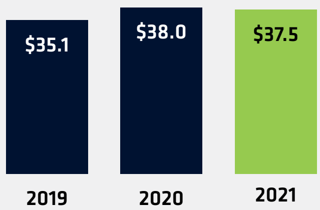
Achievements

- Completion of Moorabool South wind farm
- Securing a new wind farm construction project at Bango
- Commenced work at Snowy 2.0, Parramatta Light Rail, Martinus Rail and Armadale Road Bridge projects

Outlook

- Significant projects underway including Bango wind farm and Snowy 2.0 continuing in 1H FY22
- Strong pipeline of potential new business including renewable energy and infrastructure projects
- Ongoing wind farm maintenance work with opportunities to introduce new value-added services

Revenue $m



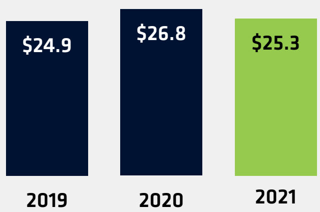
Achievements

- Installation of new 220kv transmission line in the Pilbara
- Continued activity on wind farm, mining and maintenance work
- Telecommunications sector rectifications and upgrades

Outlook

- Strong pipeline of high voltage line stringing and interconnector work
- Demand for telecommunications work remains consistent, albeit affected by pandemic-related constraints
- Continued renewable energy projects including maintenance and upgrades to the electricity grid

Revenue $m



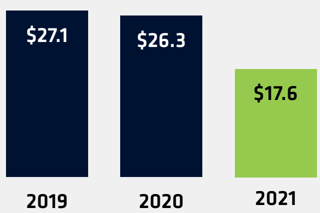
Achievements

- Activities constrained by pandemic-related delays and lockdowns
- *readi* supported Boom's customers at Olympic Dam, Boddington Gold and Esso

Outlook

- *readi* continues to service mining maintenance and industrial shutdown customers
- *readi* is focussing on new customer opportunities in construction and infrastructure sectors as COVID-related constraints ease

Revenue $m



MANAGING DIRECTOR'S REPORT

Lost Time Injury Frequency Rate (LTIFR) of

Zero

Total Recordable Injury Frequency Rate (TRIFR)

5.1

best safety performance in over a decade

In early 2020, we introduced a national safety reset program to improve our work processes and establish a positive safety culture across the business.

During FY21, we had zero lost time injuries and reported a total recordable injury frequency rate (TRIFR) of 5.1 per million hours worked, the lowest in more than a decade, and an improvement on 8.0 (36%) in the prior year.

The leadership team, managers and supervisors increased their engagement with our people in the field, also ensuring the health and safety of our team during the pandemic. Regular communication with our employees on site has been an essential step toward integrating safe work processes in our operations. We built '*safe workplace always*' into our thinking, empowering our people with authority to manage the job. This involved assessing risks and implementing safe processes across customer sites nationally.

Safe act observations frequency rate (SAOFR) increased to 8,242, up from 6,450 in FY20, a 28% improvement on last year.

The success of our safety transformation program has allowed us to proactively manage risk with confidence. Our positive safety record underpins our capability, supporting our bids to win new work.

Boom provides lifting solutions for our customers, using small, medium-sized and large-scale cranes and travel towers. Our crews operate on a 24x7 basis providing engineering services, supervision and project management on mine, construction and infrastructure sites. We install and maintain wind farms across Australia, manage the connection of power transmission at height and support the 5G mobile roll-out.

Our services require specialist experience, precision and technical skill. Our workforce of 445 permanent and 400 flexible employees provides services for some of Australia's leading industrial businesses from 14 depots around Australia.

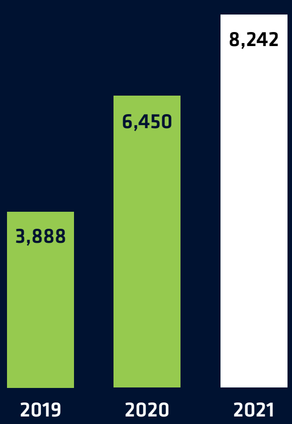
Diversification to capture recurring revenue

Our strategy to diversify services across multiple sectors has seen us focus on the mining and resources, renewable energy, infrastructure and telecommunications customers. These are strong, growing markets where Boom can provide sector expertise and high quality, differentiated services. We continue to diversify our business, targeting new recurring revenue streams and positioning the company to grow profitably in the future.

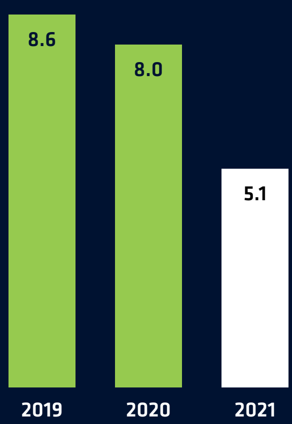
Financial overview

The company reported net profit of $1.2 milion for FY21, following a

Safe Act Observation Frequency Rate (SAOFR)



Total Recordable Injury Frequency Rate (TRIFR)



EBITDA

$36.3m

up 53%

disappointing prior year (FY20: net loss $17.0 million). COVID-19 related delays to projects and shutdown maintenance continued as customers reduced non-essential work and delayed discretionary activity and costs. As a result, revenue was $173.3 million, down 6.6% from $185.5 million in the prior year.

EBITDA, however, increased to $36.3 million, up 53% from $23.8 million in FY20, and the return to profit is a turning point for the company as EBIT improved to $4.5 million in FY21 (FY20: loss of $8.1 million).

Balance sheet and cash flow

During the first half of FY21 the company repaid debt. Following the purchase of new assets, gearing has returned to the range considered efficient for the company and at 30 June 2021 was 26%.

Return on capital employed improved to 2.5% in FY21 (FY20: -1.4%), and further improvement is expected as newly purchased assets begin to generate returns. Cash flow from operating activities before tax was higher at $25.9 million, up $1.6 million on the prior year.

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.

MANAGING DIRECTOR'S REPORT (CONTINUED)

Operating Cashflow before tax

$25.9m

up $1.6m

Business overview

The company implemented an organisational restructure under which the crane services and readi labour businesses report to the chief operating officer. Travel towers operates as a separate business unit, servicing the telecommunications and energy sectors. The projects division is focused on wind farms, construction and infrastructure work.

Crane services

Revenue decreased as supply chain management issues and COVID-related constraints disrupted activities. However, work remained solid and maintenance contract renewals were signed with the Anglo American, Australian Paper, Coronado Curragh and other organisations. Major shutdown activities were completed for Boddington Gold, Olympic Dam and in Central Queensland.

A new contract to provide mining maintenance services for FQM Australia has extended our services into the nickel sector. While a new supply contract was signed at BHP's Mt Arthur Coal, the Hunter Valley market remained challenging, with price competition affecting volume of work.

The company was awarded a major shutdown, the Smelter Campaign Maintenance 2021 (SCM21) project for BHP Olympic Dam in May 2021. Mobilisation of services has commenced for this project, which is expected to generate circa $15 million additional revenue and at its peak will engage 150 Boom crew and 40 cranes. When the project completes at the end of 2021, our assets will be redeployed interstate on other activities.

Projects

The company completed a wind farm project at Moorabool South, Victoria and began another at Bango in the New South Wales Southern Tablelands region later in the year, compared to two projects running simultaneously in the prior year. Renewable energy is a key growth sector for Boom and has also benefited from a greater share of ongoing wind farm maintenance work across the east coast of Australia.

We have built strong construction and maintenance expertise around wind farms. Our work requires crews skilled in construction and maintenance, capable of working at heights and managing the lifting, rigging and mechanical experience. Over twenty new wind farms are under construction or expected to commence in the next 2 years, and we are targeting this sector for growth.

Work continues on the Snowy 2.0 project, where the company is supporting construction of a 27-kilometre tunnel linking major dams. Bridge installation, rail and infrastructure construction are all sectors where Boom plans to increase its participation. Projects included the Parramatta Light Rail, work for Martinus Rail in Queensland and the Armadale Road Bridge project in Western Australia.

Work continues on Snowy 2.0 where the company is supporting construction of a new renewable energy project.

Total asset utilisation

77%

up from 71%

Travel towers

Installation of the new 220kv transmission line in the Western Australia Pilbara region continues to progress, and the company has benefited from strong demand for high voltage string-line work. The group's work in the telecommunications sector, where the company works with Tier 1 and 2 contractors for the large telecommunications organisations such as Ericsson and Nokia, was constrained by state government lockdowns. Demand, however, remains consistent, supported by the 5G and NBN rollout in metropolitan areas, plus rectifications and upgrade work to address 'black spot' mobile reception areas.

Capital for growth

A central component of our strategy is capital recycling, using a flexible asset rental model which allocates fleet resources and optimises performance for customers. During FY21, we invested $14.7 million in new crane and travel tower assets. The sale of under-used assets, including 35 older travel towers, raised $4.8 million.

Our capital recycling program equips our fleet with new technology, improving efficiency, reducing maintenance costs and we invest in order to secure new and ongoing work. We successfully improved asset utilisation rates in FY21, crane utilisation increased to 81% and travel tower usage rose to 66%.

Management systems

The company continued to work closely with customers during the pandemic and followed government guidelines. We responded to border restrictions and state lockdowns being imposed at short notice, which required careful management of teams to ensure productivity and that customer schedules were met.

Boom maintains cloud-based technologies which enable us to manage work and projects remotely. Upgrades to key platforms continue to improve efficiencies, cost management and workplace flexibility across the business.

MANAGING DIRECTOR'S REPORT (CONTINUED)

The 22nd of December 2020 marked 20 years since the company was incorporated and became Boom as we know it today. Originally named 'The Australian Crane Company' over the first few years, the company acquired a range of businesses in the crane and access industry.

Boom is now nationally recognised as an industry leader servicing a diverse customer base, and is a provider of choice for some of Australia's largest blue-chip companies. We are proud of being known as a company that provides quality services and the leader of safety in our industry.

We would like to acknowledge the contribution of all those people who have helped make Boom what it is today and are continuing to drive our success into the future.

Our loyal and passionate employees are the key to Boom's success. We are proud to have dedicated and skilled people who consistently deliver on customer service and safety.

Work commencing on SCM21 project for BHP Olympic Dam, expected

$15m

additional revenue in FY22

Outlook

Our financial position is sound with major growth prospects and we are well positioned to take advantage of new business opportunities.

The group continues to benefit from a proactive capital recycling program that aligns assets closely to customer requirements. We are focusing on achieving high rates of utilisation for our cranes and travel towers. New assets will support growth and enable recycling of older assets and reduction of maintenance costs.

We expect revenue growth to resume in FY22, supported by major works such as SCM21 at BHP Olympic Dam, ongoing construction work at Snowy 2.0, Bango wind farm, and a major shutdown for BMA at Goonyella Riverside. We have a solid portfolio of work in the months ahead.

The company has a strong pipeline for new business across mining maintenance, energy, infrastructure and telecommunications, with significant prospects across state markets.

We are optimistic about further penetrating the renewable energy market. Australia has installed over 3,000 wind farm towers in the past decade, and will install a further 2,000 in the next three years.

The federal and state governments are investing in major infrastructure projects over the next ten years. We are targeting this market for growth on the back of a successful track record over several years including current projects such as Snowy 2.0.

The group anticipates some labour shortages and continued supply chain constraints; however, we have put in place programs to cover any potential ongoing COVID-19 impacts.

I take this opportunity to thank the Board for their support over the past year and especially Max Findlay and Jack Hebiton, who have announced their retirement. I would like to acknowledge Jack for his vision to establish Boom 20 years ago and Max for his guidance and direction to return the company to profit.

In closing, I would like to thank our people for their willingness to adapt to changed conditions and the achievements we have made to improve our safety and performance in the last year.

Tony Spassopoulos
Managing Director

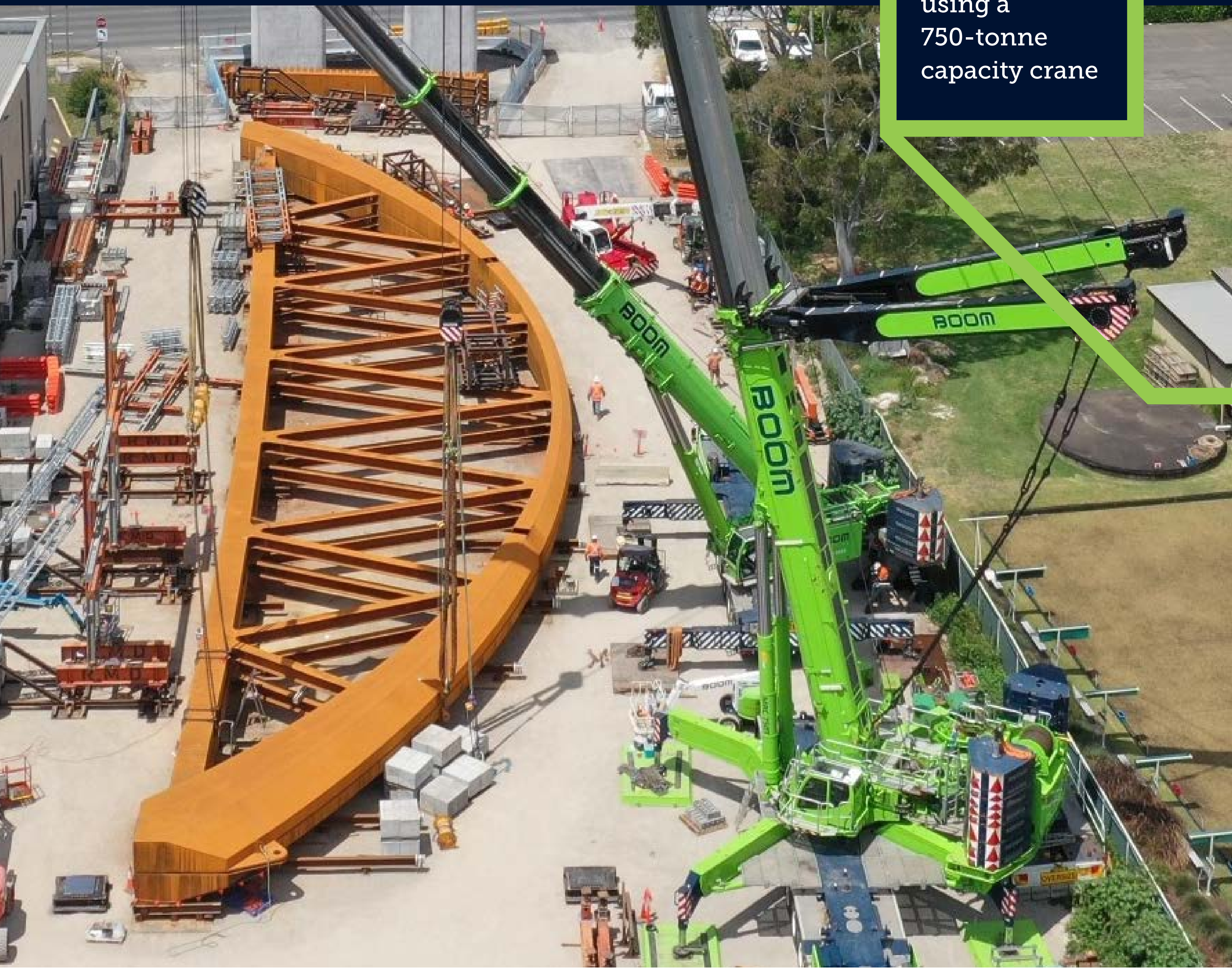
Case Study

PARRAMATTA LIGHT RAIL PROJECT

Parramatta Light Rail is a twelve-kilometre rail line in western Sydney, New South Wales, which is currently under construction for transport NSW.

Boom Logistics provided heavy lift services for the Parramatta Light Rail infrastructure project in New South Wales, installing large bridge girders and assisting construction of the showpiece bridge over James Ruse Drive.

A lift about to commence using a 750-tonne capacity crane



OUR VALUE PROPOSITION

As a large-scale lifting project 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 for large scale infrastructure. 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.

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.
- Transition to new international safety standard ISO 45,001:2018 achieved.
- Confirmed certification to AS/NZS ISO 9001:2015.
- 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

HIGH VOLTAGE GRID AND INTERCONNECTOR PROJECTS

Boom's travel towers support power line connection and interconnector upgrade works

Boom mobilises its large travel towers across Australia to support projects including the Qld-NSW interstate connectors and connection of renewable energy projects to the power grid. These projects enable the sharing of power generation across the national energy market. Safety and reliability are essential for Boom's travel towers performing work at heights. Boom's work includes supporting the replacement of power poles and transmission line insulators.

Boom's travel towers worked on wind farms and interconnector upgrades

OPERATING AND FINANCIAL REVIEW

Overview

The Group reported a net profit after tax of $1.2 million for the year ended 30 June 2021 (FY20: net loss after tax of $17.0 million). The return to profitability is an important step for the Group with the result for the year considered solid given the on-going disruption to operations caused by Covid-19. Mining maintenance shutdown work incurred delays and reductions in scope throughout the year, infrastructure project delays were prevalent with the on-going effects of state government lockdowns delaying or cancelling scheduled works.

Delivering a net profit in this environment is confirmation that the Group's strategy is effective and that results are moving in the right direction. The Group now has a flexible and lean cost base, a solid position in its key markets with strong pipelines and revenue opportunities, access to debt capital and an established and proven flexible rental model to enable the group to deliver improved returns on capital and grow profitably over the coming years.

Income statement

FY21 was an important year in the recent performance of the Group, recording a profit after tax of $1.2 million. With revenue impacted by the difficult environment, costs were well managed as the Group focused on quality revenue, supporting our customers and growing the opportunity for FY22.

	30-Jun-21 $'m	**30-Jun-20 $'m**	**Change $'m**
Revenue	**173.3**	185.5	(12.2)
Operating Costs	**(137.0)**	(161.7)	24.7
Earnings Before Interest, Tax, Depreciation and Amortisation	**36.3**	23.8	12.5
Depreciation and Amortisation	**(31.8)**	(31.9)	0.1
Earnings Before Interest and Tax	**4.5**	(8.1)	12.6
Net Borrowing Costs	**(3.3)**	(4.4)	1.1
Net Profit/ (Loss) Before Tax	**1.2**	(12.5)	13.7
Net Profit/ (Loss) After Tax	**1.2**	(17.0)	18.2

Revenue

Reported revenue was $173.3 million (FY20: $185.5 million). Revenue was 6.6% down on the prior year as the Group focused on quality revenue in key markets to generate improved margins. On-going Covid restrictions contributed to lower revenue with slower mining maintenance shutdown activity, reductions in project scope, delays in infrastructure projects and border restrictions and state government lockdowns impacting volumes.

Earnings

Despite the lower recorded revenue, the renewed focus on quality contracts and projects in key markets resulted in much improved earnings before interest expense, tax, depreciation and amortisation (EBITDA). EBITDA improved 53% to $36.3 million in the year (FY20: $23.8 million). Earnings before interest expense and tax (EBIT) improved significantly to $4.5 million (FY20: loss of $8.1 million).

Importantly the improved EBIT and reduced borrowing costs translated into a profit after tax of $1.2 million (FY20: loss of $17.0 million). The return to profit is a turning point in the recent history of the Company.

The Group has confidence in the outlook and that successful execution of the strategy will further increase profitability and generate improved returns on capital through:

- Diversifying revenue including both construction and recurring maintenance work on wind farms and pursuing the growing opportunity in energy projects associated with improvements and upgrades to the electricity grid;
- Capitalising on the infrastructure pipeline over the coming decade (albeit that Covid restrictions and customer supply chain issues continue to delay projects in the immediate term);
- Increasing recurring revenue in mining maintenance by growing market share in the Central Queensland market through our strong customer relationships in the region and

growing our revenue in Western Australia where the Group is currently under represented.

Improved results from the execution of this strategy with a clear pipeline of opportunities has given confidence to invest in new capital equipment to grow our customer base, margins and return on capital. The Group will also continue to seek opportunities to diversify its earnings through aligned services that will complement the capital intensive nature of core operations.

Taxation

Income tax expense in the year was $nil as the Group utilised franking deficit tax paid to offset income tax payable. In the prior year a tax expense of $4.45 million was incurred which related to a historic franking deficit tax liability. This amount is being repaid in twenty-four monthly instalments under an interest free payment plan agreed with the ATO in August 2020.

The first eleven payments under this plan were made in the year with repayments being available to offset against future taxable profits in addition to $103.7 million (gross) of tax losses that are also available to offset against future taxable profits.

Cash flow

Cash flow provided by operating activities before tax was $25.9 million (FY20: $24.3 million). This was a solid cash flow result and reflected payment of circa $1.6 million in FY21 that was deferred from FY20 with the agreement of suppliers as a result of the onset of Covid-19. Operating cash flow in the current year was further effected by the timing of projects revenue and expenses:

- Debtors increased from the Bango wind farm project that generated significant revenue in the last two months of the year as the project increased to full productivity (cash of $6.8 million from project invoices was received in July 2021). This project will continue through the first half of FY22;
- Boom announced on 6 May 2021 that it had been awarded a new contract at BHP Olympic Dam to support a major smelter shutdown project (SCM21 project) commencing in August 2021. Preparation for the major works have begun and mobilisation of people and equipment commenced in June 2021. Whilst the majority of costs incurred can be reimbursed under the contract the associated cash had not yet been received at year end; and
- Major mining maintenance shutdown works commenced in Central Queensland in June for which debtors remained unpaid at year end.

These year end debtor balances will be realised in the normal course of business as the invoices become due for payment in FY22.

Given the improving profitability of the Group and the strong outlook in key markets the Group applied operating cash largely to fund increased investment in new crane assets to support the SCM21 project. The project is an important maintenance task for BHP and Boom is pleased to partner with BHP on the project to support its on-going operations and deepen our relationship. The new cranes will be used on the project for the first half of FY22 and then transferred to other regions to support growth in key markets.

3 Year
finance facility commenced in December 2020

The Group was also able to fund two half cent dividend payments during the year. The first payment, made in October 2020 was deferred from payment in April 2020 as a conservative measure during the initial stages of the pandemic. The second payment being the FY21 interim dividend paid in March 2021. In total dividend payments of $4.3 million were paid to shareholders during FY21.

The Group has resolved to pay a final FY21 dividend of 1 cent per share. This dividend is expected to be paid on 5 November 2021 to shareholders on the register at 30 September 2021.

Balance sheet

Net assets at 30 June 2021 were $112.7 million down from $115.3 million at 30 June 2020. The movement reflects the profit generated in the period offset by $4.3 million of dividends paid to shareholders in the year.

Return on capital employed was 2.5% compared with negative 1.4% in the prior year. The return has improved as the Group has maintained a tight cost base and focused on profitable revenue opportunities.

Returns are forecast to further improve in FY22 as the capital investment in assets made towards the end of FY21 begin to generate a return. Assets will commence operation at the SCM21 project in the first half of FY22 and will then be reallocated across the fleet to support further growth in key markets in the second half of FY22.

The increased net capital expenditure in FY21 of $14.7 million has increased the balance sheet gearing net debt (interest bearing borrowings plus finance lease liabilities less cash)/ total equity to 26% (30 June 2020: 17%). This is within the Board approved gearing range of 20%-35% and the Group maintains considerable undrawn debt facilities.

Capital management

Boom is committed to delivering efficient capital management outcomes that provide value to our shareholders, support our customers, bring innovation to our service offering and maintain the highest levels of safety performance.

Our strategy of diversifying revenue streams and increasing our portion of recurring revenue in maintenance work is delivering improved results. In order to continue to improve results Boom is re-investing in its fleet of operating assets to meet the highest standards of customer service. Investment in the fleet is essential to maintain existing contracts and importantly to deliver growth in our key markets:

- **Mining Maintenance** – Boom continues to win market share with mining and resources customers in key geographies, being both major resource companies and other mining services suppliers. These customers often have specific requirements for assets deployed on contracts, being equipment age or particular safety systems. It is essential that Boom continues to invest in its fleet, upholding the highest standards of safety for our people and our customers.
- **Energy Sector** – The opportunities available in the energy sector is a significant growth market for Boom. Access to new equipment and additional capacity will allow Boom to grow revenue in the energy market as significant electricity grid upgrade projects are required over the coming years.
- **Renewable Energy** – Boom utilises its low capital rental model to access large cranes suitable for the wind farm construction and maintenance markets. The wind farm construction pipeline remains strong over the next three years with the maintenance market providing a growing opportunity as more turbines are commissioned. The Group is also expanding its service offering in the maintenance market through the addition of low capital services.
- **Infrastructure** – The Group's low capital, asset rental model plays a central role in capturing growth in this market with rented assets supported by smaller assets and people sourced from Boom's national depot footprint.

The increase in capital expenditure during the year was targeted to deliver growth and improve returns on capital in Boom's key markets. Capital was invested during the year in assets to support Olympic Dam's FY22 program of works, and to deliver growth in Western Australia and Central Queensland where new revenue and contracts are being targeted. New large Bronto travel tower assets were ordered and deposits paid to increase capacity in the energy sector where Boom has identified a significant growth opportunity. These assets will be delivered through FY22 and will deliver immediate capacity and revenue upon their arrival.

Significantly, in May 2021 Boom announced that it was successful in securing a new contract at BHP Olympic Dam to support a major smelter shutdown project that will commence around August 2021. Boom is pleased to be able to partner again with a major customer to deliver a significant project. Boom committed to a number of new assets to service this contract which will be required in addition to the fleet already stationed at Olympic Dam to service Boom's long term maintenance contract.

The investment in new equipment will help to deliver $15 million of new revenue in the first half of FY22. The equipment will then be available to support new revenue and growth in key markets in the second half of FY22.

Debt Facilities

The investment in the year was supported by the new finance arrangements that the Group entered into in December 2020. The new terms and conditions provide a secure committed facility with tenure to December 2023, significant debt capacity limits, no restrictive financial covenants and access to lower interest rates and facility costs.

Balance Sheet Gearing

To maintain the equipment fleet the Group considers that modest balance sheet leverage is appropriate. The Group's Board approved gearing range is 20%-35% where gearing is defined as group interest bearing loans and borrowings plus finance lease liabilities divided by total equity. At 30 June 2021 the gearing ratio was 26% (30 June 2020: 17%). The increase to gearing was appropriate given the availability of long term committed debt facilities and the strong pipeline of opportunities in FY22, including the award of the major SCM21 shutdown contract.

The Group will target gearing around the middle of the approved range although it may deviate from this in the short term having consideration to:

- Outlook for the Group's key markets and wider economic circumstances;
- Customer requirements and opportunities to invest in new equipment for growth that will provide an appropriate return on capital invested;
- Acquisition opportunities that will complement and grow the Group's core activities in key markets;
- On-going requirement to replace and maintain the core fleet. Current average age of fleet (including rented assets) is circa 10.7 years. The Group's long term target is to maintain a fleet with an average age below 10 years;
- Proceeds realised from on-going capital recycling of older less productive equipment to reinvest in new assets with enhanced technology and safety systems, reduce fleet maintenance costs and increase overall fleet utilisation;
- Operating free cash flow[1] generated by the Group in any period; and
- Surplus operating free cash will be available to be returned to shareholders.

The Group expects to generate sufficient surplus operating free cash to maintain a consistent dividend to shareholders.

1 Operating free cash flow is defined as net cash provided by operating activities less net repayment of lease liabilities (included in cash flows from financing activities).

The Group may deviate from the guidelines above to capitalise on opportunities with superior returns on capital. Over the short and medium term this approach will ensure that Boom is well positioned to deliver sound risk adjusted returns to investors through a combination of dividends and capital appreciation, maintain a fleet of equipment to service our customers through market cycles and contribute to a safe working environment for our people and customers.

FY21 Review of operations

The Group had a solid year in an environment that continues to be impacted by Covid-19. Restrictions had an impact across the customer base with major impacts felt in the mining and infrastructure sectors with telecommunications work in the metro areas also impacted during periods of lockdown.

Mining and Resources

Revenue in mining and resources was down $5.0 million in the year. Revenue was down across the sector as customers reduced shutdown and project activity. This was particularly the case in Central Queensland and in Western Australia where site restrictions and labour shortages caused by border closures impacted work planned by customers.

Despite the slowdown in project work regular maintenance work was solid with Boom building on its strong relationship with customers in the region. In Central Queensland Boom invested in targeted asset purchases acquiring a new category of crane to meet client demand and support our metallurgical coal customers.

During the year the Group benefitted from extending and expanding our relationship with Anglo American in the region. The Group also secured a major project at Anglo's Aquila mine site to partner with Fenner Dunlop in the construction of a new stacker conveyor with this project expected to complete in 1H FY22. The investment in new equipment also supported the Group's ability to win a major shutdown project for BMA that commenced at the end of June 2021 and will be completed in the first quarter of FY22. After the successful completion of this project Boom is then targeting further on-going recurring revenue with this customer.

The Group has also consolidated its depots in Mackay and Moranbah into a single location in Nebo, saving costs, streamlining operations and positioning the Group to target new customer sites and expand revenue.

New assets were also acquired during the year to target the Western Australian region. The capital expenditure was used to support the new two year maintenance contract signed with FQM Australia (Nickel) in the year and to expand the revenue generated in the iron ore markets in the north west.

This new revenue supporting customers in nickel and iron ore further diversifies the Group's exposure to commodities and complements the long term maintenance contracts in the south west held with gold and aluminium customers. The contracts in the south west were particularly hard hit with major scope changes to shutdowns and consequentially revenue impacts as a result of Covid restrictions, border closures and labour shortages.

Gearing Ratio (net debt/ equity) at

26%

Work on contracts in the Hunter Valley region of NSW remained consistent during the year with these thermal coal customers operating a maintenance cycle that relies on smaller shutdowns. The thermal coal market in the Hunter Valley however remains challenging with margins tight as thermal coal customers seek to reduce costs.

Revenue on our long term contract at Olympic Dam was consistent with increasing levels of activity on site in the second half of the year in preparation for works on the major shelter shutdown project.

This is a significant project and will generate an additional $15 million of revenue in FY22 in addition to the Group's on-going long term maintenance contract for the site. The award of the contract in May 2021 required Boom to commit to the acquisition of new mobile cranes to service the project. Boom's fleet of cranes already on site will be required for the on-going maintenance work.

Investment in the new fleet occurred in June 2021 with assets being mobilised to site for commencement in the first quarter of FY22. The new cranes will be utilised on the project and then released to growth markets to drive new revenue in 2H FY22.

The Group maintained its strong performance in retaining key contracts during the year and winning significant new project work towards the end of the year at Olympic Dam and Central Queensland that will benefit the FY22 results.

Wind, Energy and Utilities

Revenue in Wind, Energy and Utilities segment was down $8.9m on the prior year. The decrease was largely due to lower revenue from wind farm construction projects. In the prior year the Group performed two fixed fee, full scope construction projections including scope for lifting in addition to mechanical and electrical completion. In the current year the focus was on pursuing quality revenue in the segment to reduce risk.

In the first half of the current year the Group undertook a project for lifting services at Moorabool wind farm in Victoria. This project was successfully completed on a schedule of rates. In March the Group commenced a project at Bango wind farm to supply lifting services on a schedule of rates for GE Renewables. This project is progressing well and will be completed towards the end of the first half of FY22.

The Group's approach to wind farm construction projects in the year has been to undertake contracts with reduced scope (compared with FY20) and consequently lower revenue, but with risk minimised through the agreement of fee for service contracts. The pipeline of wind farm construction remains strong and will provide a profitable source of work over the medium term.

In addition to the construction work Boom continued to grow its revenue in the wind farm maintenance sector. Boom completed

OPERATING AND FINANCIAL REVIEW (CONTINUED)

significant maintenance work in the year that involved supplying large mobile assets and specialist crews to replace damaged blades, change gearboxes, and replace pitch bearings. The maintenance sector is a growing opportunity for the Group with an expanding range of services being offered to clients to complement the core services that utilise Boom's skilled wind farm crews and large cranes and travel towers.

In addition to the growing opportunity in wind farm maintenance there is strong pipeline of work in energy projects that typically utilise Boom's fleet of large travel towers. During the year Boom worked with Powerlines Plus to install a 220kv transmission line in the Pilbara region. This has been a strong partnership and Boom is well placed to secure additional work in FY22 as well as similar major projects on the east coast.

The energy market is a growing opportunity and the Group has eight Bronto travel towers on order to be delivered through FY22 to enhance its capabilities to service this market. A number of projects are planned for FY22 and beyond as work to upgrade the electricity grid progresses nationally and new renewable energy projects are completed which require works to connect them into substations.

Infrastructure and Construction

Revenue in the infrastructure and construction segment was up $5.0 million.

During the year the Group has worked successfully at the Snowy 2.0 project assisting with the build and positioning of the major tunnel boring machine that is being used to construct

the 27 kilometres of tunnels that will link the Tantangara and Talbingo dams.

Other major work in the year included work on the Parramatta Light Rail project, works in Queensland for Martinus Rail and bridge works on the Armadale Road project in WA.

Project delays in this sector were frequent through the year as customers suffered from supply chain delays which deferred commitment to resources. Whilst this has been a frustration, Boom has a pipeline of opportunities growing into FY22 and beyond and is well placed to capitalise on the growing infrastructure segment as major new projects commence. Boom's flexible rental model provides access to new equipment to deploy on infrastructure projects as these opportunities arise.

Industrial Maintenance

Revenue in the industrial maintenance segment was down $1.1m on the prior year. Revenue was impacted by a reduction of activity in the Group's contracts in the Latrobe Valley in Victoria and in its offshore maintenance contract in the Bass Strait where Covid restrictions continued to limit the number of people permitted on site.

Telecommunications

Revenue in the telecommunications and other segments was down $2.2m on the prior year. This segment was impacted by the continued state government Covid lockdowns. Due to the more transactional nature of the work in this segment jobs were frequently cancelled by customers as lockdowns occurred periodically through the year. As individual jobs in the telecommunications sector tend to be discrete work packages the customer has a larger ability to cancel or move the job at short notice.

Activity in the sector remains high with the on-going 5G and NBN rollout work providing a solid outlook for FY22.

360+
Cranes and Travel Towers

HEALTH, SAFETY, ENVIRONMENT AND QUALITY

Our HSEQ Goals

Boom's three year HSEQ strategic plan was reviewed in FY21 and 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 Lost Time Injury Frequency Rate (LTIFR) of zero at the end of FY21.
- Boom reported a Total Recordable Injury Frequency Rate (TRIFR) of 5.1 at the end of FY21, an improvement from 8.0 in FY20.
- Boom has continued a strong focus on Safety Leadership and increased the Safe Act Observation Frequency Rate (SAOFR) performance to 8,242 from 6,450 in the prior year.
- The company has successfully transitioned to the new international safety standard ISO 45001: 2018. The standard applies to depots for the crane and travel tower businesses and being certified shows that:
  - 1) Boom's systems of work meet an internationally recognised safety standard
  - 2) Boom's systems of work are aligned with international best practice for managing safety
  - 3) Boom is able to provide clear evidence that our systems of work are in use
- The company has continued Certification to AS/NZS ISO 9001:2015.
- Boom has developed a new Ground Conditions training video in conjunction with Driver Safety Australia, Elevating Work Platform Association of Australia (EWPA) and Crane Industry Council of Australia (CICA) for the set up and use of both travel towers and cranes that operate on outriggers. Boom seeks to be an industry leader in safe work practices.
- Compliance with environmental management obligations continues.

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.

Safe Act Observation Frequency Rate (SAOFR) improved

28%

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 (2021-2023) is on leadership, safe operation of plant and equipment to ensure safety of our people and avoid damage to our plant 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, and contractor management.
- Improve systems / procedures in line with actions taken during the COVID-19 pandemic.
- 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 life saving rules program and the Boom approach to risk management.
- Develop tools for the management of ground conditions risks.
- Seek opportunities to introduce digital transformation technology.
- Improved use of the hazard module in the myosh incident management software.
- Review overall approach to sustainability.

Environment

Boom continues to meet its legal and community obligations in environmental management.

- 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.

Quality

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

SYSTEM CERTIFICATION ISO 45001 SGS

SYSTEM CERTIFICATION ISO 9001 SGS

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

OUR PEOPLE

Our IT platform enables

remote work

and

flexibility

Boom's total workforce exceeded 800 people during FY21. We have 445 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 400 employees enabled the company to support projects and maintenance shutdowns.

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

Leadership program

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 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 commitment

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.

Total workforce exceeds

800

Training and development

Boom has strengthened its commitment to training of employees through offering traineeships and apprenticeships within operational roles.

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.

Gender equality

Boom is dedicated to growing a rich culture, diverse workforce and a work environment in which every employee is treated fairly and respectfully and given the opportunity to contribute to business success.

As part of our ongoing commitment, Boom reviewed it's gender equality plan this year and continues to promote gender equality throughout the business.

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 not held any other ASX listed public company Directorships. 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 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, and Melbourne Water Corporation. She is currently a member of World Vision's Business Advisory Council, Chief Executive Women and the International Women's Forum. During the past three years, Ms. Allibon has not held any other ASX listed public company Directorships. Ms. Allibon is Chairperson of the Boom Logistics Nomination & Remuneration Committee.

Stephen Anthony Grove

(Non-independent, Non-executive Director) (appointed 6 November 2020)
Mr. Grove is Executive Chairman of the Grove Group of companies which, among other activities, manufactures and hires more than 2,300 portable and relocatable buildings and other assets to clients across Australia, primarily in the construction and educational classroom facilities sectors. He founded the group in 1997 and owns 100% through related entities. Mr. Grove brings considerable experience in the plant hire sector, together with general business, strategy and management expertise to the Board. Since the date of appointment, Mr. Grove has not held any other ASX listed public company Directorships.

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.

Kieran Pryke

BCom, FCPA (Independent, Non-executive Director) (appointed 8 February 2021)

Mr. Pryke has over 25 years' experience in the property industry. He has been Chief Financial Officer of General Property Trust, following nine years in Lendlease Corporation's construction, development and investment management divisions, and of Australand Property Group and Grocon Group. Currently he is a non-executive director of Aventus Holdings Limited, where he chairs the audit, risk and compliance committee, and a director of GFM Investment Management Limited. He is also a director of Ozharvest Limited, the not-for-profit organisation which distributes surplus food to the needy. Since the date of appointment, Mr. Pryke has held ASX listed public company Directorships with Aventus Holdings Limited (current). Mr. Pryke is Chairperson of the Boom Logistics Audit Committee.

Ben Pieyre

Chief Operating Officer (appointed Chief Operating Officer on 4 January 2021)

Ben joined Boom in September 2019. He has worked in the crane hire industry since 2006 commencing his career as a fleet controller before promotions into senior management. He has extensive operational experience specializing in Civil Construction, Industrial Services and Maintenance Sectors, as well as HR/IR and Engineering. Ben is currently the Vice president of the CICA board and Vice Chair for the WA committee. Ben holds an Advance Diploma in Leadership and Management and French qualifications in Business Management, Human Resources, Commerce and Marketing.

Tim Rogers

Chief Financial Officer, M.Phil (Criminology), MArts (Hons) (Economics & Law) (appointed 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 a Director of Audit & Assurance at Deloitte Touche Tomatsu. Tim has a wealth of finance and strategy experience.

Malcolm Ross

Company Secretary, 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 Hall & Wilcox Lawyers. In 2002, he joined InterContinental Hotels Group Plc (FTSE-listed) based in Singapore where his final position was Vice-President Legal and Associate General Counsel with responsibility for leading the legal function in Asia Australasia.

FINANCIAL 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 financial year ended 30 June 2021.

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)

Stephen Anthony Grove

Qualifications and biographies (see previous page)

Terence Alexander Hebiton

Qualifications and biographies (see previous page)

Kieran Pryke

Qualifications and biographies (see previous page)

Jean-Pierre Buijtels

MSc (International Business) (Non-independent, Non-executive Director) (appointed 2 June 2017; resigned 27 November 2020)

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; resigned 27 November 2020)

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 was Chairperson of the Boom Logistics Audit Committee.

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	2,994,889	14,166,667
M.J. Allibon	100,000	–	–
S.A. Grove	23,942,297	–	–
T.A. Hebiton	547,995	–	–
K. Pryke	150,000	–	–

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	14	14	5	5	1	1	4	4	2	2
T. Spassopoulos	14	14	–	–	1	1	4	4	2	2
M.J. Allibon	14	14	–	–	1	1	4	4	2	2
S.A. Grove[a]	14	10	–	–	1	1	4	3	2	2
T.A. Hebiton	14	14	5	5	1	1	4	4	2	2
K. Pryke[a]	14	6	5	2	1	1	4	2	2	1
J-P. Buijtels[b]	14	6	–	–	1	–	4	–	2	–
T.C. Francis[c]	14	6	5	3	1	–	4	1	2	–

a Attended 100% of meetings eligible to attend from date of appointment.

b Attended 100% of meetings eligible to attend prior to resignation except for one Health, Safety, Environment & Quality Committee meeting.

c Attended 100% of meetings eligible to attend prior to resignation.

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 15 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 2021 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

Subsequent to 30 June 2021, the Board have resolved to pay an unfranked final dividend of 1.0 cents per share on 5 November 2021 to shareholders on the register at 30 September 2021. The estimated liability based on the number of ordinary shares at year end is $4.278 million. The dividend has not been provided for in the 30 June 2021 year end financial statements.

Likely Developments and Expected Results

The Directors expect performance to continue to improve as a result of key project wins and building new revenue and expanding services in key geographies and markets. Maintaining tight control of costs will ensure new revenue is delivered at improved margins and increase profit and return on capital.

The economic conditions created by COVID-19 remain a challenge. There is consequently a degree of uncertainty surrounding the ongoing 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 2021 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 2021 ("FY21"). 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 their 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 FY21.

Key Management Personnel (Executive)

Name	Title	Period as a KMP
Tony Spassopoulos	Chief Executive Officer & Managing Director	All of FY21
Ben Pieyre	Chief Operating Officer	From 4 January 2021
Tim Rogers[a]	Chief Financial Officer	All of FY21
Malcolm Ross	General Counsel & Company Secretary	All of FY21

a Tim Rogers will resign as Chief Financial Officer effective from 27 August 2021.

Key Management Personnel (Non-executive Directors)

Name	Position[b]	Audit	Nomination & Remuneration	Health, Safety, Environment & Quality	Risk
Maxwell Findlay	Chairperson	Member	Member	Member	Chairperson
Melanie Allibon	Non-executive Director	–	Chairperson	Member	Member
Stephen Grove	Non-executive Director	–	Member	Member	Member
Terence Hebiton	Non-executive Director	Member	Member	Chairperson	Member
Kieran Pryke[c]	Non-executive Director	Chairperson	Member	Member	Member
Jean-Pierre Buijtels[d]	Non-executive Director	–	Member	Member	Member
Terrence Francis[d]	Non-executive Director	Chairperson	Member	Member	Member

b All non-executive directors are independent, except for Stephen Grove and Jean-Pierre Buijtels who are not independent.

c Kieran Pryke was appointed Chairperson of the Audit Committee on 8 February 2021.

d Jean-Pierre Buijtels and Terrence Francis resigned from the Board and all Committees on 27 November 2020.

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%
Ben Pieyre	Chief Operating Officer	350,000	30%	20%
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.

	2021 $'000	**2020 $'000**	**2019 $'000**	**2018 $'000**	**2017 $'000**
Net profit/(loss) attributable to members of Boom Logistics Limited	**$1,230**	($16,959)	($5,330)	($1,547)	($22,630)
Dividends paid	**$4,278**	$-	$-	$-	$-
Share price at financial year end	**$0.14**	$0.11	$0.15	$0.24	$0.09
Earnings per share	**$0.00**	($0.04)	($0.01)	($0.00)	($0.05)
Return on capital employed (Trading EBIT/ Capital Employed	**2.5%**	(1.4%)	1.5%	1.6%	(3.7%)

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 occurs in September of each year and remuneration adjustments take effect from October of that year.

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 2021 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 October 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;
- 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 a performance hurdle 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 6 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.

Total Remuneration of Executive KMP

Details of the cost to the Group relating to Executive KMP remuneration for the year ended 30 June 2021 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 and Managing Director)										
2021	**432,508**	**37,500**	**22,492**	**25,000**	**120,000**	**37,500**	**36,774**	**65,424**	**777,198**	**14.4%**
2020	408,817	25,000	27,827	25,000	120,000	25,000	38,404	(19,148)	650,900	13.6%
Ben Pieyre (Chief Operating Officer)										
2021	**149,865**	**10,500**	**12,500**	**12,500**	**-**	**10,500**	**21,677**	**4,015**	**221,557**	**19.3%**
Tim Rogers (Chief Financial Officer)[e]										
2021	**273,302**	**36,913**	**8,737**	**25,000**	**33,943**	**-**	**(35,142)**	**(9,218)**	**333,535**	**0.5%**
2020	261,041	22,911	12,262	25,000	33,270	22,912	(5,305)	20,521	392,612	10.3%
Malcolm Ross (General Counsel and Company Secretary)										
2021	**239,875**	**12,500**	**18,003**	**25,000**	**-**	**12,500**	**7,456**	**682**	**316,015**	**10.3%**
2020	232,003	9,921	19,503	24,939	-	9,922	(5,460)	(12,695)	278,133	5.2%
Total Remuneration: Executives										
2021	**1,095,550**	**97,413**	**61,732**	**87,500**	**153,943**	**60,500**	**30,765**	**60,903**	**1,648,306**	**-**
2020	901,861	57,832	59,592	74,939	153,270	57,834	27,639	(11,322)	1,321,645	-

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 19.

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.

e Tim Rogers will resign as Chief Financial Officer effective from 27 August 2021. Consequently, all options issued to Mr. Rogers were forfeited as the 3 year vesting condition will not be met. Mr. Rogers' long service leave balance was also written back at 30 June 2021.

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.

Details of non-executive Directors' remuneration for the year ended 30 June 2021 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							
2021	**130,000**	**–**	**–**	**12,350**	**–**	**–**	**142,350**
2020	123,500	–	–	11,733	–	–	135,233
Melanie Allibon							
2021	**65,000**	**–**	**–**	**6,175**	**–**	**–**	**71,175**
2020	61,780	–	–	5,869	–	–	67,649
Stephen Grove							
2021	**42,302**	**–**	**–**	**4,019**	**–**	**–**	**46,321**
Terence Hebiton							
2021	**65,000**	**–**	**–**	**6,175**	**–**	**–**	**71,175**
2020	61,750	–	–	5,866	–	–	67,616
Kieran Pryke							
2021	**25,729**	**–**	**–**	**2,444**	**–**	**–**	**28,173**
Jean-Pierre Buitjels[a]	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Terrence Francis							
2021	**27,083**	**–**	**–**	**3,088**	**–**	**–**	**30,171**
2020	61,750	–	–	5,866	–	–	67,616
Total Remuneration: Non-Executive Directors							
2021	**355,114**	**–**	**–**	**34,251**	**–**	**–**	**389,365**
2020	308,780	–	–	29,334	–	–	338,114
Total Remuneration: Non-Executive Directors and Executives – Group							
2021	**1,450,664**	**97,413**	**61,732**	**121,751**	**245,208**	**60,903**	**2,037,671**
2020	1,210,641	57,832	59,592	104,273	238,743	(11,322)	1,659,759

a Jean-Pierre Buijtels was not paid a Director's fee in both FY2020 and FY2021. 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 $65,000 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	2,275,260	719,629	14,166,667
Melanie Allibon	100,000	–	–	–
Stephen Grove	23,942,297	–	–	–
Terence Hebiton	547,995	–	–	–
Kieran Pryke	150,000	–	–	–
Ben Pieyre	–	–	224,728	3,083,333
Tim Rogers	–	903,787	367,967	–
Malcolm Ross	–	–	354,903	2,677,188

Shareholdings of Directors and Executive KMP

Ordinary shares in held in Boom Logistics Limited (number) 30 June 2021	Balance at start of year	Net change 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
Stephen Grove(ii)	22,442,297	1,500,000	23,942,297
Terence Hebiton	547,995	–	547,995
Kieran Pryke	–	150,000	150,000
Jean-Pierre Buijtels	–	n/a	n/a
Terrence Francis	185,745	n/a	n/a
Executives			
Ben Pieyre	–	–	–
Tim Rogers	–	–	–
Malcolm Ross	–	–	–
Total	**25,026,037**	**1,650,000**	**26,490,292**

(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. Balance at start of year represents shares held on date of director appointment.

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	**2021**	**24 Feb 21**	**440,649**	**$0.1362**	**24 Feb 22**	**24 Feb 31**	**$60,000**
	2020	26 Aug 20	612,784	$0.0979	26 Aug 21	26 Aug 30	$60,000
Tim Rogers	**2021**	**24 Feb 21**	**124,642**	**$0.1362**	**24 Feb 22**	**24 Feb 31**	**$16,972**
	2020	26 Aug 20	173,333	$0.0979	26 Aug 21	26 Aug 30	$16,972

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 2021**	Grant date	Tony Spassopoulos	Tim Rogers	Total
Salary Sacrifice Rights				
Balance at start of year		1,221,827	605,812	**1,827,639**
Granted during year:	26 Aug 20	612,784	173,333	**786,117**
	24 Feb 21	440,649	124,642	**565,291**
Balance at end of year		**2,275,260**	**903,787**	**3,179,047**
Number of rights not yet granted		270,602	76,542	**347,144**

Number of rights not yet granted shows the potential rights to ordinary shares equivalent to the amount of salary sacrificed to 30 June 2021 since the most recent granting of rights under the salary sacrifice rights plan on 24 February 2021.

Determining the STIP Outcomes of the Executive KMP

For the FY2020 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	2020	10 Sep 20	249,698	$0.1001	10 Mar 21	10 Sep 30	$25,000
Ben Pieyre	2020	10 Sep 20	224,728	$0.1001	10 Mar 21	10 Sep 30	$22,500
Tim Rogers	2020	10 Sep 20	228,838	$0.1001	10 Mar 21	10 Sep 30	$22,912
Malcolm Ross	2020	10 Sep 20	99,095	$0.1001	10 Mar 21	10 Sep 30	$9,922

For the FY2021 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, with the exception of Mr Rogers' FY21 STIP that will be settled 100% in cash. The STIP will be paid 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	31.3%	37,500	37,500	75,000
Ben Pieyre	Chief Operating Officer	105,000	20.0%	10,500	10,500	21,000
Tim Rogers	Chief Financial Officer	101,830	36.2%	36,913	–	36,913
Malcolm Ross	General Counsel & Company Secretary	56,693	44.1%	12,500	12,500	25,000

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 2021	Grant date	Tony Spassopoulos	Ben Pieyre(i)	Tim Rogers	Malcolm Ross	Total
STIP Rights						
Balance at start of year		469,931	–	230,158	255,808	955,897
Granted during year:	10 Sep 20	249,698	224,728	228,838	99,095	802,359
Exercised during year		–	–	(91,029)	–	(91,029)
Balance at end of year		**719,629**	**224,728**	**367,967**	**354,903**	**1,667,227**

(i) STIP was granted during the year prior to appointment as a KMP. Appointed as Chief Operating Officer on 4 January 2021.

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	Expiry date	Vesting bench-mark	Value of options granted during the year
Tony Spassopoulos	**2021**	**4 Dec 20**	**7,500,000**	**31 Aug 23**	**$0.0400**	**$0.159**	**30 Sep 23**	**(ii)**	**$300,000**
	2020	29 Nov 19	6,666,667	31 Aug 22	$0.0450	$0.145	30 Sep 22	(ii)	$300,000
Ben Pieyre	**2021**	**4 Dec 20**	**1,750,000**	**31 Aug 23**	**$0.0400**	**$0.159**	**30 Sep 23**	**(ii)**	**$70,000**
	2020	29 Nov 19	1,333,333	31 Aug 22	$0.0450	$0.145	30 Sep 22	(ii)	$60,000
Tim Rogers	**2021**	**4 Dec 20**	**1,697,165**	**31 Aug 23**	**$0.0400**	**$0.159**	**30 Sep 23**	**(ii)**	**$67,887**
	2020	29 Nov 19	1,508,591	31 Aug 22	$0.0450	$0.145	30 Sep 22	(ii)	$67,887
Malcolm Ross	**2021**	**4 Dec 20**	**1,417,335**	**31 Aug 23**	**$0.0400**	**$0.159**	**30 Sep 23**	**(ii)**	**$56,693**
	2020	29 Nov 19	1,259,853	31 Aug 22	$0.0450	$0.145	30 Sep 22	(ii)	$56,693

(ii) The 2021 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 2023. 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 > 6,500 (25% of eligible options) (2020 LTIP: 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 FY2019 options allocated to the Executive KMP did not vest as their vesting conditions were not met. In accordance with the LTIP rules, the FY2019 options were treated as lapsed at reporting date.

Options held in Boom Logistics Limited (number) 30 June 2021	Grant date	Balance at start of year Unvested	Granted	Lapsed	Forfeited	Balance at end of year Unvested
Tony Spassopoulos	4 Dec 20	–	7,500,000	–	–	7,500,000
	29 Nov 19	6,666,667	–	–	–	6,666,667
	28 Nov 18	4,838,710	–	(4,838,710)	–	–
		11,505,377	**7,500,000**	**(4,838,710)**	**–**	**14,166,667**
Ben Pieyre[(i)]	4 Dec 20	–	1,750,000	–	–	1,750,000
	29 Nov 19	1,333,333	–	–	–	1,333,333
		1,333,333	**1,750,000**	**–**	**–**	**3,083,333**
Tim Rogers	4 Dec 20	–	1,697,165	–	(1,697,165)	–
	29 Nov 19	1,508,591	–	–	(1,508,591)	–
	28 Nov 18	1,042,803	–	(1,042,803)	–	–
		2,551,394	**1,697,165**	**(1,042,803)**	**(3,205,756)**	**–**
Malcolm Ross	4 Dec 20	–	1,417,335	–	–	1,417,335
	29 Nov 19	1,259,853	–	–	–	1,259,853
	28 Nov 18	887,777	–	(887,777)	–	–
		2,147,630	**1,417,335**	**(887,777)**	**–**	**2,677,188**
Total		**17,537,734**	**12,364,500**	**(6,769,290)**	**(3,205,756)**	**19,927,188**

(i) LTIP options were granted prior to appointment as a KMP. Appointed as Chief Operating Officer on 4 January 2021.

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 41 and forms part of the directors' report for the financial year ended 30 June 2021.

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:

Other assurance services	$0
Taxation services	$21,602
Other services	$2,484
Total remuneration for non-audit services	**$24,086**

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, 26 August 2021

LEAD AUDITOR'S INDEPENDENCE DECLARATION

for the year ended 30 June 2021

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 2021 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

26 August 2021

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2021

	Note	2021 $'000	2020 $'000
Revenue	2	**173,255**	185,535
Other income	3(a)	**714**	533
Salaries and employee benefits expense		**(87,731)**	(98,013)
Equipment service and supplies expense	3(b)	**(37,890)**	(46,405)
Operating lease expense		**(436)**	(1,033)
Other expenses	3(b)	**(11,536)**	(14,134)
Restructuring expense		**-**	(718)
Depreciation and amortisation expense	7	**(16,189)**	(16,515)
Depreciation expense – Right-of-use assets	14	**(15,667)**	(15,392)
Impairment expense		**-**	(1,902)
Profit / (loss) before financing expense and income tax		**4,520**	(8,044)
Financing expense	11(e)	**(2,055)**	(2,835)
Financing expense – Lease liabilities	14	**(1,235)**	(1,633)
Profit / (loss) before income tax		**1,230**	(12,512)
Income tax expense	4(a)	**-**	(4,447)
Net profit / (loss) attributable to members of Boom Logistics Limited		**1,230**	(16,959)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges recognised in equity, net of tax		**130**	(86)
Other comprehensive income / (loss) for the year, net of tax		**130**	(86)
Total comprehensive income / (loss) for the year attributable to members of Boom Logistics Limited		**1,360**	(17,045)
Basic earnings / (losses) per share (cents per share)	5	**0.3**	(3.9)
Diluted earnings / (losses) per share (cents per share)	5	**0.3**	(3.9)

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2021

	Notes	2021 $'000	2020 $'000
CURRENT ASSETS			
Cash and cash equivalents		**2,347**	2,131
Trade receivables, contract assets and other receivables	2(b)	**42,915**	34,552
Inventories, prepayments and other current assets		**2,639**	3,486
Assets classified as held for sale	7	**–**	3,136
Lease receivables	14	**437**	1,176
TOTAL CURRENT ASSETS		**48,338**	44,481
NON-CURRENT ASSETS			
Property, plant and equipment	7	**122,654**	124,196
Right-of-use assets	14	**25,619**	22,788
Lease receivables	14	**–**	437
Deferred tax asset	4(b)	**11**	67
TOTAL NON-CURRENT ASSETS		**148,284**	147,488
TOTAL ASSETS		**196,622**	191,969
CURRENT LIABILITIES			
Trade and other payables		**15,570**	11,952
Interest bearing loans and borrowings	11	**23,609**	4,309
Lease liabilities	14	**15,733**	11,592
Employee provisions		**9,122**	8,461
Other provisions and liabilities		**5,762**	7,526
Derivative financial instruments		**93**	184
Income tax payable	4(c)	**2,224**	4,447
TOTAL CURRENT LIABILITIES		**72,113**	48,471
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	11	**361**	14,166
Lease liabilities	14	**8,483**	11,531
Employee provisions		**497**	395
Other provisions and liabilities	10	**2,248**	2,083
Derivative financial instruments		**–**	49
Income tax payable	4(c)	**185**	–
TOTAL NON-CURRENT LIABILITIES		**11,774**	28,224
TOTAL LIABILITIES		**83,887**	76,695
NET ASSETS		**112,735**	115,274
EQUITY			
Contributed equity	13(a)	**310,327**	310,327
Retained losses		**(200,608)**	(197,560)
Reserves		**3,016**	2,507
TOTAL EQUITY		**112,735**	115,274

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 2021

	Note	2021 $'000	2020 $'000
Cash flows from operating activities			
Receipts from customers		**184,349**	205,898
Payments to suppliers and employees		**(155,471)**	(177,385)
Interest paid		**(1,763)**	(2,692)
Interest paid – Lease liabilities	14	**(1,235)**	(1,633)
Interest received		**8**	7
Interest received – Lease receivables	14	**59**	110
Income tax (paid) / received		**(2,038)**	4,450
Net cash provided by operating activities	9	**23,909**	28,755
Cash flows from investing activities			
Purchase of property, plant and equipment		**(14,711)**	(2,190)
Proceeds from the sale of property, plant and equipment		**4,820**	4,610
Net cash (used in) / provided by investing activities		**(9,891)**	2,420
Cash flows from financing activities			
Payments for shares bought back		**–**	(1,726)
Payment of dividends	6	**(4,278)**	–
Proceeds from borrowings		**11,821**	–
Repayment of borrowings		**(5,964)**	(15,923)
Repayment of borrowings – Lease liabilities		**(16,114)**	(13,817)
Receipts from finance leases as lessor	14	**1,176**	978
Payment of transaction costs related to share buy-back and borrowings		**(443)**	(6)
Net cash (used in) financing activities		**(13,802)**	(30,494)
Net increase in cash and cash equivalents		**216**	681
Cash and cash equivalents at the beginning of the period		**2,131**	1,450
Cash and cash equivalents at the end of the period		**2,347**	2,131

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 2021

	Notes	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 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	19(b)	–	–	–	–	177	177
Share buy-back including transaction costs and net of tax		(1,730)	–	–	–	–	(1,730)
At 30 June 2020		**310,327**	**(197,560)**	**–**	**(163)**	**2,670**	**115,274**
Profit for the year		–	–	1,230	–	–	1,230
Other comprehensive income		–	–	–	130	–	130
Total comprehensive income		**–**	**–**	**1,230**	**130**	**–**	**1,360**
Transactions with owners in their capacity as owners:							
Cost of share based payments	19(b)	–	–	–	–	379	379
Dividends paid		–	(4,278)	–	–	–	(4,278)
At 30 June 2021		**310,327**	**(201,838)**	**1,230**	**(33)**	**3,049**	**112,735**

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 2021 was authorised for issue in accordance with a resolution of the Board of Directors on 26 August 2021.

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

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

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

Since the onset of the COVID-19 global pandemic, which was declared by the World Health Organisation on 11 March 2020, the Group has been able to effectively manage its operations to minimise disruption to the business.

The Group derives the majority of its revenue from the following sectors: mining and resources; infrastructure and construction; wind, energy and utilities; industrial maintenance; and telecommunications which are designated as essential services and have continued to operate throughout the year.

During FY21 the Group has continued to work with customers to ensure that all health requirements are met including restrictions on staff travel, maintaining cleaning processes for equipment, maintaining social distancing protocols and observing state government work from home orders for non-essential staff.

Whilst the pandemic and on-going uncertainty has created challenges during the year the Group's financial performance improved in the period. The solid financial results achieved reflected the impact of COVID on Group revenues in the following areas:

- **Mining and resources** – customers reduced shutdown and project activity as a result of site restrictions and labour shortages caused by border closures which reduced revenue. On-going maintenance activity on contracts continued through the year.
- **Infrastructure and Construction** – project delays in this sector were frequent throughout FY21 as customers suffered from supply chain delays which deferred commitment to resources. The Group was insulated from the worst impacts with major assets employed at the Snowy 2.0 project for the majority of the year. This project will also run through 1H FY22 and the Group's pipeline of opportunities is growing for FY22.
- **Wind, Energy and Utilities** –the Group provided lifting services on two wind farm construction projects during the year which were not affected by the pandemic. Projects in wind farm maintenance and installation of power lines were also completed and only minimally effected with movement of the workforce restricted by border closures at various times during the year.
- **Industrial Maintenance** – social distancing protocols reduced revenue earned on the Group's offshore maintenance contract as the number of people permitted on site was limited through the year.
- **Telecommunications** – this segment was impacted by state government lockdowns resulting in delay or cancellation to jobs. Accordingly, the Victorian depot suffered the greatest impact during the year. Due to the more transactional nature of this work individual jobs were cancelled at short notice.

The pandemic has also had an impact on international freight. Shipping delays from Europe have delayed the arrival of new large travel tower assets that were ordered during the year to service growth opportunities in the energy sector. The assets have been delayed by around two months and are now expected to arrive in the second quarter of FY22.

The increased uncertainty and general economic environment has prompted the Group to increase its general doubtful debt provision by an additional $0.4 million at year end. This is a prudent measure for perceived enhanced credit risk amongst the Group's smaller customers.

Whilst the pandemic has increased uncertainty it has not materially impacted the Group or its assessment of going concern. The Group has long term debt facilities committed to December 2023 with significant undrawn capacity. Further growth in cash flow and earnings are forecast for FY22 which is underpinned with major works contracted for 1H FY22; SCM21 project at Olympic Dam, major mining shutdown projects in Queensland for BMA and Fenner Dunlop, continued project work at Bango wind farm and at Snowy 2.0.

The directors believe that it remains appropriate to prepare the accounts 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.

Section A: Financial Performation (continued)

1. Segment Report (continued)

Segment information

Year ended 30 June 2021	Lifting Solutions $'000	Labour Services $'000	Other* $'000	Elimination $'000	Consolidated $'000
Segment revenue					
Total external revenue	172,445	810	–	–	173,255
Inter-segment revenue	–	15,457	–	(15,457)	–
Total segment revenue	172,445	16,267	–	(15,457)	173,255
Other income					714
Total revenue and other income					**173,969**
Segment result					
Operating result	38,914	1,314	(4,566)	–	35,662
Net profit on disposal of property, plant and equipment	647	–	–	–	647
Depreciation and amortisation	(31,178)	(53)	(625)	–	(31,856)
Profit before net interest and tax	**8,383**	**1,261**	**(5,191)**	**–**	**4,453**
Net interest	(3,190)	(5)	(28)	–	(3,223)
Income tax					–
Profit from continuing operations					**1,230**
Segment assets and liabilities					
Segment assets	196,833	416	1,033	(1,660)	196,622
Segment liabilities	77,937	864	5,086	–	83,887
Additions to non-current assets	14,711	–	–	–	**14,711**

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

Year ended 30 June 2020	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					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)**
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**

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

Section A: Financial Performation (continued)

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	Note	Lifting Solutions $'000	Labour Services $'000	Consolidated $'000
Year ended 30 June 2021				
Mining & resources	(i)	81,480	–	81,480
Wind, energy, & utilities		39,403	26	39,429
Infrastructure & construction		23,105	106	23,211
Industrial maintenance		17,984	331	18,315
Telecommunications		9,894	–	9,894
Other		579	347	926
Total revenue from contracts with customers		**172,445**	**810**	**173,255**
Timing of revenue recognition				
Services transferred over time		172,445	810	173,255
Year ended 30 June 2020				
Mining & resources		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

(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 (2020: $1.184 million).

(b) Contract balances

	Note	2021 $'000	2020 $'000
Trade and other receivables		**35,595**	31,944
Contract assets	(ii)	**7,320**	2,608
Total trade receivables, contract assets and other receivables		**42,915**	34,552

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

Recognition and measurement

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

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

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

Key estimate and judgement

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

3. Other Income and Expenses

	2021 $'000	2020 $'000
(a) Other income		
Profit on disposal of plant and equipment	**583**	465
Profit / (loss) on disposal of plant and equipment – Right-of-use assets	**64**	(49)
Interest income	**8**	7
Interest income – Lease receivables	**59**	110
Total other income	**714**	533
(b) Expenses		
External equipment hire	**10,376**	10,235
External labour hire	**2,855**	5,194
Maintenance	**9,383**	8,906
Fuel	**2,176**	3,791
External transport	**6,336**	6,797
Employee travel and housing	**1,949**	1,760
Other reimbursable costs (on-charged to customers)	**1,440**	2,202
Other equipment services and supplies	**3,375**	7,520
Total equipment services and supplies expense	**37,890**	46,405
Employee related	**1,876**	2,738
Insurance and compliance	**3,501**	4,304
IT and communications	**2,367**	2,727
Occupancy	**1,057**	1,175
Other overheads	**2,735**	3,190
Total other expense	**11,536**	14,134

Section A: Financial Performation (continued)

4. Income tax

	Note	2021 $'000	2020 $'000
(a) Income tax expense			
Current income tax			
Current income tax expense		**–**	4,449
Adjustments in respect of current income tax of previous years		**–**	–
Deferred income tax			
Relating to origination and reversal of temporary differences		**–**	(2)
		–	4,447
A reconciliation between tax expense and accounting profit / (loss) before income tax is as follows:			
Accounting profit/(loss) before tax from continuing operations		**1,230**	(12,512)
At the Group's statutory income tax rate of 30% (2020: 30%)		**369**	(3,754)
Expenditure not allowable for income tax purposes		**52**	53
Current year losses for which no deferred tax asset is recognised		**–**	1,565
Previously unrecognised tax credits now recouped to reduce current tax expense		**(421)**	–
Other reimbursable costs (on-charged to customers)		**–**	2,136
Other equipment services and supplies	4(c)	**–**	4,447
Income tax expense		**–**	4,447

	Opening Balance $'000	Recognised in Income Statement $'000	Recognised in Equity $'000	Closing Balance $'000
(b) Deferred income tax				
Year ended 30 June 2021				
– Employee leave provisions	**2,657**	**229**	**–**	**2,886**
– Allowance for impairment on financial assets	**334**	**(49)**	**–**	**285**
– Liability accruals	**1,606**	**(600)**	**–**	**1,006**
– Restructuring provisions	**12**	**5**	**–**	**17**
– Tax losses	**4,272**	**(372)**	**–**	**3,900**
– Plant and equipment	**(8,884)**	**787**	**–**	**(8,097)**
– Derivative financial instruments	**70**	**–**	**(56)**	**14**
Net deferred tax asset / (liabilities)	**67**	**–**	**(56)**	**11**
Year ended 30 June 2020				
– 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

	Opening Balance $'000	Recognised in Income Statement $'000	Recognised in Equity $'000	Closing Balance $'000
– Plant and equipment	(9,816)	932	–	(8,884)
– Derivative financial instruments	33	–	37	70
Net deferred tax asset / (liabilities)	**28**	**2**	**37**	**67**

(c) Income tax payable

Income tax payable represents the remaining franking deficit tax that is being paid in twenty four interest free equal monthly instalments from August 2020 to July 2022. As at 30 June 2021, of the $2.038 million of income tax instalments paid to date, $0.857 million was utilised to offset the income tax payable arising from the financial year results.

(d) Tax losses

The Group has total tax losses of $31.165 million tax effected (2020: $31.101 million). $3.900 million of these losses have been recognised on balance sheet and $27.265 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.

Section A: Financial Performation (continued)

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	2021 $'000	2020 $'000
Net profit/(loss) after tax		**1,230**	(16,959)
		No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share		**427,774,207**	431,555,802
Effect of dilutive securities:			
– employee share awards	(i)	**-**	–
Adjusted weighted average number of ordinary shares used in calculated diluted earnings per share		**427,774,207**	431,555,802
Number of ordinary shares at financial year end		**427,774,207**	427,774,207

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

6. Dividends

The Company paid unfranked dividends of 0.5 cents per share on 2 October 2020 and 16 April 2021 totalling $4.278 million.

Dividends proposed and not recognised as a liability

The Board have resolved to pay an unfranked final dividend of 1.0 cents per share on 5 November 2021 to shareholders on the register at 30 September 2021. The estimated liability based on the number of ordinary shares at year end is $4.278 million. The dividend has not been provided for in the 30 June 2021 year end financial statements.

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

	Note	Rental Equipment $'000	Motor Vehicles $'000	Machinery, Furniture, Fittings & Equipment $'000	Freehold Land & Buildings $'000	Total $'000
Year ended 30 June 2021						
Opening carrying amount		**119,031**	**2,648**	**955**	**1,562**	**124,196**
Additions	(i)	**14,695**	**7**	**9**	**-**	**14,711**
Disposals		**(744)**	**(34)**	**(3)**	**-**	**(781)**
Transfers		**715**	**1**	**1**	**-**	**717**
Depreciation charge for the year		**(14,834)**	**(696)**	**(540)**	**(119)**	**(16,189)**
Closing carrying amount		**118,863**	**1,926**	**422**	**1,443**	**122,654**
At cost		**294,871**	**19,113**	**6,203**	**3,120**	**323,307**
Accumulated depreciation		**(176,008)**	**(17,187)**	**(5,781)**	**(1,677)**	**(200,653)**
Closing carrying amount		**118,863**	**1,926**	**422**	**1,443**	**122,654**
Year ended 30 June 2020						
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		(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**

(i) Additions during the year included $2.9 million of instalment payments for the manufacture of travel tower assets that are expected to arrive in the second quarter of FY2022.

Property, plant and equipment with a carrying amount of $122.654 million (2020: $124.196 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

There were no assets classified as held for sale at 30 June 2021.

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 less any accumulated impairment losses.

Section B: Operating Assets and Liabilities (continued)

7. Property, Plant and Equipment (continued)

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 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 2021 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 24 June 2021. 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 2021.

9. Reconciliation of the Net Cash Flows from Operations with Net Profit / (Loss) After Tax

	Note	2021 $'000	2020 $'000
Net profit / (loss) after tax		**1,230**	(16,959)
Non cash items			
Depreciation and amortisation of non-current assets		**31,856**	31,907
Impairment of non-current assets		**–**	1,902
Borrowing costs – amortisation	11(e)	**292**	143
Net profit on disposal of non-current assets	3	**(647)**	(416)
Share based payments	19(b)	**379**	177
Changes in assets and liabilities			
(Increase)/decease in trade receivables, contract assets and other receivables		**(8,363)**	972
(Increase)/decrease in inventories, prepayments and other assets		**(75)**	1,981
(Increase)/decrease in current and deferred tax balances		**(1,982)**	8,858
Increase/(decrease) in trade and other payables		**3,618**	(1,208)
Increase/(decrease) in provisions and other liabilities		**(2,399)**	1,398
Net cash flow from operating activities		**23,909**	28,755

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 $1.145 million (2020: $2.824 million) which principally relates to shipment costs of returning leased equipment, including onshore transportation costs.

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. Interest Bearing Loans and Borrowings

	Note	2021 $'000	2020 $'000
Current			
Other loans	(i)	**23,967**	4,309
Prepaid borrowing costs		**(358)**	–
Total current interest bearing loans and borrowings		**23,609**	4,309
Non current			
Other loans	(i)	**361**	9,238
Secured bank loans		**–**	5,000
Prepaid borrowing costs		**–**	(72)
Total non-current interest bearing loans and borrowings		**361**	14,166
Total interest bearing loans and borrowings		**23,970**	18,475

(i) Other loans includes an amortising loan with $4.618 million disclosed as current and $0.361 million disclosed as non-current. The loan expires in August 2022.

Other 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 $19.349 million outstanding under the facility at 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.

(a) Debt facility refinancing

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

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

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

(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 2021. The new facilities that commenced in December 2020 are not subject to any financial covenants.

(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.

(d) Terms and debt repayment schedule

	Currency	Weighted average interest rate	Year of maturity	Carrying Amount 2021 $'000	2020 $'000
Syndicated debt	AUD	n/a	n/a	**-**	5,000
Trade receivables loan	AUD	7.95%	December 2023	**19,349**	4,147
Finance arrangement	AUD	5.92%	July 2022	**4,979**	9,400
Prepaid borrowing costs				**(358)**	(72)
Total interest bearing liabilities				**23,970**	18,475

(e) Financing expense

	2021 $'000	2020 $'000
Interest expense	**1,178**	1,862
Borrowing costs – amortisation (non-cash)	**292**	143
Borrowing costs – other	**585**	830
Total financing expense	**2,055**	2,835

(f) Financing facilities available

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

Total facilities:		
– bank overdraft	**-**	1,000
– bank loans and borrowings	**113,000**	75,000
	113,000	76,000
Facilities drawn at reporting date:		
– bank overdraft	**-**	-
– bank loans and borrowings	**31,759**	21,740
	31,759	21,740
Facilities undrawn at reporting date:		
– bank overdraft	**-**	1,000
– bank loans and borrowings	**67,907**	44,792
	67,907	45,792

Total facilities consist of $56 million receivables finance facility, $22 million chattel mortgage facility, and $35 million asset finance facility.

Of the $56 million receivables finance facility, $19.3 million was drawn with a further $3.3 million utilised by bank guarantees. $33.4 million of the undrawn facility was available subject to the availability of eligible debtors which was $1.3 million at reporting date.

The $22 million chattel mortgage facility was undrawn at reporting date.

Of the $35 million asset finance facility, $12.4 million was drawn including $7.4 million of finance leases. A further $10.1 million was utilised by operating leases. $12.5 million was undrawn at reporting date.

Section C: Funding Structures (continued)

11. Interest Bearing Loans and Borrowings (continued)

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.

(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:

	ECL Rate	Trade Receivables* $'000	Contract Assets* $'000	Total $'000	Loss Allowance $'000
Year ended 30 June 2021					
0 – 30 days	**0.20%**	**22,323**	**7,320**	**29,643**	**56**
31 – 60 days	**0.25%**	**6,663**	**-**	**6,663**	**15**
61 – 90 days	**0.75%**	**4,960**	**-**	**4,960**	**34**
91 – 120 days	**7.50%**	**1,840**	**-**	**1,840**	**125**
+120 days	**20.00%**	**470**	**-**	**470**	**85**
		36,256	**7,320**	**43,576**	**315**
Year ended 30 June 2020					
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**

* Trade receivables and contact assets are net of specific transactions totalling $0.234 million (2020: $0.539 million) that have been fully provided and excluded from above general provision calculation.

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

	Note	2021 $'000	2020 $'000
Balance at 1 July		**1,114**	577
Impairment loss recognised		**378**	802
Amounts written-off and/or written back		**(543)**	(265)
Balance at 30 June	(i)	**949**	1,114

(i) The allowance for impairment of $0.949 million comprises a specific provision of $0.234 million (2020: $0.539 million), $0.315 million calculated from the provision matrix (2020: $0.435 million), and an additional allowance of $0.400 million in excess (2020: $0.140 million 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 2021.

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 operating leases, finance leases and trade receivables loan. At 30 June 2021, the Group's balance sheet gearing ratio was 26% (interest bearing loans and borrowing plus finance lease liabilities less cash / total equity) (2020: 17%). Allowing for the additional operating lease liabilities recognised in accordance with AASB 16, the Group's balance sheet gearing ratio was 41% (2020: 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.

	Carrying amount $'000	Contractual cash flows $'000	6 mths or less $'000	6-12 mths $'000	1-2 years $'000	2-5 years $'000
Year ended 30 June 2021						
Trade and other payables	**15,570**	**(15,570)**	**(15,570)**	**-**	**-**	**-**
Derivatives	**93**	**(93)**	**(73)**	**(20)**	**-**	**-**
Income tax payable	**2,409**	**(2,409)**	**(1,112)**	**(1,112)**	**(185)**	**-**
Other loans	**24,328**	**(26,914)**	**(12,555)**	**(12,555)**	**(1,335)**	**(469)**
Lease liabilities	**24,216**	**(25,455)**	**(7,734)**	**(7,734)**	**(5,752)**	**(4,235)**
	66,616	**(70,441)**	**(37,044)**	**(21,421)**	**(7,272)**	**(4,704)**
Year ended 30 June 2020						
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)**

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	
	2021 $'000	**2020 $'000**
Fixed rate instruments		
Financial liabilities	**(12,410)**	(17,593)
	(12,410)	(17,593)
Variable rate instruments		
Financial assets – cash at bank and on hand	**2,347**	2,131
Financial liabilities	**(19,349)**	(4,147)
	(17,002)	(2,016)

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.

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 $0.596 million (2020: $0.499 million) and the forward exchange contracts had a fair value of $0.047 million payable (2020: $0.104 million payable) at 30 June 2021.

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.

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".

Section C: Funding Structures (continued)

13. Contributed Equity

	2021		2020	
	No. of shares	$'000	No. of shares	$'000
(a) Issued and paid up capital				
Beginning of the financial year	**427,774,207**	**310,327**	439,193,800	312,057
Shares bought back on-market and cancelled	**-**	**-**	(11,419,593)	(1,726)
Buy-back transaction costs	**-**	**-**	–	(6)
Tax credits recognised directly in equity	**-**	**-**	–	2
End of the financial year	**427,774,207**	**310,327**	**427,774,207**	**310,327**

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 impacts on the Group's budgets and forecasts. 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).

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. 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:

	2021 $'000	2020 $'000
Statement of Comprehensive Income		
Depreciation expense of right-of-use assets	**(15,667)**	(15,392)
Interest expense on lease liabilities	**(1,235)**	(1,633)
Interest income on sublease of right-of-use assets	**59**	110
Gains or (losses) on termination of leases	**64**	(49)
Rent expense – short-term leases and leases of low value assets	**(436)**	(1,033)
Total amounts recognised in profit or loss	**(17,215)**	(17,997)
Statement of Cash Flows		
Net cash flows from operating activities	**14,938**	12,839
Net cash flows from financing activities	**(14,938)**	(12,839)

	Right-of-use Assets						
Statement of Financial Position	**Rental Equipment $'000**	**Motor Vehicles $'000**	**Other Equipment $'000**	**Land & Buildings $'000**	**Total $'000**	**Lease Receivables $'000**	**Lease Liabilities $'000**
Year ended 30 June 2021							
Opening carrying amount	10,436	5,637	70	6,645	**22,788**	1,613	23,123
Additions	16,063	1,649	–	1,017	**18,729**	**-**	17,503
Terminations	–	(39)	(5)	(187)	**(231)**	**-**	(295)
Depreciation expense	(8,484)	(2,500)	(53)	(4,630)	**(15,667)**	**-**	–
Impairment expense	–	–	–	–	**-**	**-**	–
Receipts / payments	–	–	–	–	**-**	(1,176)	(16,114)
Closed carrying amount	**18,015**	**4,747**	**13**	**2,845**	**25,619**	**437**	**24,216**
Year ended 30 June 2020							
Opening carrying amount	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)
Closed carrying amount	**10,436**	**5,637**	**70**	**6,645**	**22,788**	**1,613**	**23,123**

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.

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.

Group as a lessor

The Group has several property, plant and equipment leases that were sub-let and classified as finance leases and recognised as Lease receivables. The sub-leases have terms of between 2 to 3 years.

Section D: Other Disclosures (continued)

14. Leases (continued)

The maturity analysis of lease receivables showing the undiscounted lease payments to be received after the reporting date is as follows:

	2021 $'000	2020 $'000
– within one year	**443**	1,234
– after one year but not more than five years	**–**	443
Total undiscounted lease receivable	**443**	1,677
– future finance income	**(6)**	(64)
Net lease receivable	**437**	1,613

15. Subsidiaries

		Equity interest	
	Country of incorporation	2021 %	2020 %
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	Australia	**100**	100
Boom Renewables Pty Ltd	Australia	**100**	100

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.

16. 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.

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

	Closed Group	
	2021 $'000	**2020 $'000**
Consolidated Statement of Comprehensive Income		
Revenue	**163,790**	176,038
Other income	**406**	295
Salaries and employee benefits expense	**(78,220)**	(91,135)
Equipment service and supplies expense	**(38,737)**	(44,364)
Operating lease expense	**(401)**	(1,007)
Other expenses	**(11,527)**	(9,255)
Restructuring expense	**-**	(709)
Depreciation and amortisation expense	**(15,507)**	(15,859)
Depreciation expense – Right-of-use assets	**(15,518)**	(15,235)
Impairment expense	**-**	(1,902)
Financing expense	**(2,146)**	(2,835)
Financing expense – Lease liabilities	**(1,226)**	(1,618)
Profit / (loss) before income tax	**914**	(7,586)
Income tax benefit / (expense)	**27**	(4,331)
Net profit / (loss) for the year	**941**	(11,917)
Retained losses at the beginning of the year	**(203,827)**	(191,910)
Dividends provided for or paid	**(4,278)**	-
Retained losses at the end of the year	**(207,164)**	(203,827)
Net profit / (loss) for the year	**941**	(11,917)
Other comprehensive income / (loss)		
Cash flow hedges recognised in equity	**130**	(86)
Other comprehensive income / (loss) for the year, net of tax	**130**	(86)
Total comprehensive income / (loss) for the year	**1,071**	(12,003)

Section D: Other Disclosures (continued)

16. Deed of Cross Guarantee (continued)

	Closed Group	
	2021 $'000	**2020 $'000**
Consolidated Statement of Financial Position		
Current assets		
Cash and cash equivalents	**2,329**	2,115
Trade receivables, contract assets and other receivables	**40,896**	33,029
Inventories, prepayments and other current assets	**2,430**	3,443
Assets classified as held for sale	**–**	3,136
Lease receivables	**437**	1,176
Total current assets	**46,092**	42,899
Non-current assets		
Investments	**599**	599
Deferred tax asset	**523**	552
Property, plant and equipment	**117,851**	118,682
Right-of-use assets	**25,540**	22,587
Lease receivables	**–**	438
Total non-current assets	**144,513**	142,858
Total assets	**190,605**	185,757
Current liabilities		
Trade and other payables	**14,934**	11,323
Interest bearing loans and borrowings	**23,609**	4,309
Lease liabilities	**15,733**	11,592
Employee provisions	**8,628**	7,704
Other provisions and liabilities	**5,649**	7,387
Derivative financial instruments	**93**	184
Income tax payable	**2,224**	4,447
Total current liabilities	**70,869**	46,946
Non-current liabilities		
Payables	**1,899**	1,808
Interest bearing loans and borrowings	**361**	14,165
Lease liabilities	**8,407**	11,336
Employee provisions	**492**	383
Other provisions and liabilities	**2,214**	2,064
Derivative financial instruments	**–**	49
Income tax payable	**185**	–
Total non-current liabilities	**13,558**	29,805
Total liabilities	**84,427**	76,751
Net assets	**106,178**	109,006

	Closed Group	
	2021 $'000	**2020 $'000**
Equity		
Contributed equity	**310,326**	310,326
Retained losses	**(207,164)**	(203,827)
Reserves	**3,016**	2,507
Total equity	**106,178**	109,006

17. Parent Entity

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

	2021 $'000	**2020 $'000**
Statement of financial position		
Current assets	**43,842**	43,138
Total assets	**234,581**	231,990
Current liabilities	**72,611**	48,606
Total liabilities	**116,475**	108,204
Equity		
Contributed equity	**310,327**	310,327
Reserves	**3,016**	2,507
Retained losses	**(195,237)**	(189,048)
Total equity	**118,106**	123,786
Net (loss) / profit after tax for the year	**(1,911)**	21,445
Dividends provided for or paid	**(4,278)**	–
Total comprehensive (loss) / income for the year	**(1,781)**	21,359

Section D: Other Disclosures (continued)

18. Key Management Personnel

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

	2021 $	2020 $
Short-term employee benefits	**1,609,809**	1,328,065
Post employment benefits	**121,751**	104,273
Other long term benefits	**60,903**	(11,322)
Retirement benefits	**-**	-
Share based payments	**245,208**	238,743
Total compensation	**2,037,671**	1,659,759

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

Related party transactions

During the year, the Group entered into hire contracts with Grove (Aust) Pty Ltd for the provision of mobile cranes services. Mr. Stephen Grove is Executive Chairman and owner of Grove (Aust) Pty Ltd. The services performed totalled $112,368 and is based on normal commercial terms and conditions.

19. 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 exercise price per option	No. of options
At start of period	$0.1434	1,827,639	$0.1827	2,302,798	$0.1522	26,214,991
Granted during the period	$0.1139	1,351,408	$0.1001	1,141,493	$0.1586	18,463,135
Exercised during the period	-	-	$0.1353	(960,321)	-	-
Lapsed during the period	-	-	-	-	$0.1643	(9,760,588)
Forfeited during the period	-	-	-	-	$0.1522	(5,687,756)
At end of period	**$0.1309**	**3,179,047**	**$0.1631**	**2,483,970**	**$0.1522**	**29,229,782**

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 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:

	2021	2020	2019
Grant date	**4 December 2020**	29 November 2019	28 November 2018
Vesting date	**31 August 2023**	31 August 2022	31 August 2021
Expiry date	**30 September 2023**	30 September 2022	30 September 2021
Share price at grant date	**$0.155**	$0.145	$0.165
Fair value at grant date	**$0.040**	$0.045	$0.062
Exercise price	**$0.159**	$0.145	$0.164
Expected life	**2.8 years**	2.8 years	2.8 years
Expected price volatility of Boom's shares	**47%**	47%	55%
Risk-free interest rate	**0.12%**	0.65%	2.07%
Expected dividend yield	**3.20%**	0%	0%

Section D: Other Disclosures (continued)

19. Share-based Payments (continued)

(a) Carrying values

	2021 $'000	2020 $'000
Salary Sacrifice Rights Plan	**907**	753
Short Term Incentive Plan	**856**	798
Long Term Incentive Plan	**1,286**	1,119
Total employee equity benefits reserve	**3,049**	2,670

(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	2021 $'000	2020 $'000
Rights issued under employee rights plans		**212**	230
Options issued under employee option plan		**167**	(53)
	9	**379**	177

(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. These plans are expected to be wound up in the next 12 months.

(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:

	2021 Number of shares	2020 Number of shares
At start of period	**1,480,089**	1,969,131
– issued for nil consideration (including unallocated shares in the employee share schemes allocated during the year)	**960,321**	544,317
– sold / transferred during the year	**(722,457)**	(1,033,359)
At end of period	**1,717,953**	1,480,089

At 30 June 2021, the employee share plans also hold 6,693,777 ordinary shares (2020: 7,654,098) 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.

20. Commitments

(a) Capital commitments

Capital expenditure contracted for at reporting date but not recognised in the financial statements are as follows:

	2021 $'000	2020 $'000
Property, plant and equipment		
– within one year	**12,304**	–

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

21. Contingencies

Contingent liabilities

Performance guarantees totalling $0.736 million (2020: $0.736 million) have been provided in relation to wind farm construction projects which will expire by 1 May 2022. In addition, other bank guarantees totalling $2.532 million (2020: $3.529 million) have been provided to landlords and work cover authority. There are no other contingent liabilities identified at reporting date.

22. Auditor's Remuneration

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

	2021 $	2020 $
Audit and review services		
– audit and review of financial statements	**306,878**	234,099
Assurance services		
– other assurance services	**-**	46,575
Other services		
– taxation services	**21,602**	50,848
– other services	**2,484**	–
Total other services	**24,086**	50,848
Total remuneration of KPMG Australia	**330,964**	331,522

23. Subsequent Events

Subsequent to 30 June 2021, the Board have resolved to pay an unfranked final dividend of 1.0 cents per share on 5 November 2021 to shareholders on the register at 30 September 2021. The estimated liability based on the number of ordinary shares at year end is $4.278 million. The dividend has not been provided for in the 30 June 2021 year end financial statements.

Section D: Other Disclosures (continued)

24. 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, with no new accounting standards impacting the Group during the period.

(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 2021

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 42 to 74, and the Remuneration Report in the Directors' Report, set out on pages 29 to 39, 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 2021 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.

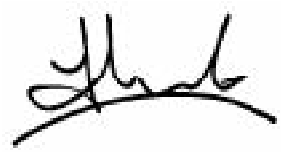
2. The Directors draw attention to page 46 to the Consolidated Financial Statements which includes a statement of compliance with International Financial Reporting Standards.

3. There are reasonable grounds to believe that the Company and the group entities identified in note 15 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 2021.

Signed in accordance with a resolution of the Directors:

Maxwell Findlay
Chairperson



Tony Spassopoulos
Managing Director

Melbourne, 26 August 2021

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 2021 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 2021
- 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.

Valuation of property, plant and equipment (AU$122.7m)

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 the year end, which is an indicator of impairment;
• Size of the balance (being 62.4% 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 is 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;
	    ○ 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;

KPMG

	○ Comparing the implied EBITDA multiples from available market data, including share market valuations, for comparable companies, to the implied EBITDA valuation multiple for the Group; • Assessing the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Boom Logistic 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.

KPMG

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 2021, 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 29 to 39 of the Directors' report for the year ended 30 June 2021.

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

Andrew Hounsell

Partner

Melbourne

26 August 2021

ASX ADDITIONAL INFORMATION

for the year ended 30 June 2021

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 5 August 2021.

(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	253	41,138
1,001 – 5,000	677	2,358,001
5,001 – 10,000	543	4,278,602
10,001 – 100,000	1,197	42,746,112
100,001 and over	332	378,350,354
	3,002	**427,774,207**
The number of shareholders holding less than a marketable parcel of shares are:	457	506,813

(b) Substantial Holders

Substantial holders in the Company are set out below:

	Listed ordinary shares	
	Number of shares	**Percentage of ordinary shares**
Collins St Asset Management	50,049,802	11.7%
Castle Point Funds Management	37,615,645	8.8%
Rorema Beheer B.V.	35,380,332	8.3%
Greig & Harrison Pty Ltd	33,823,181	7.9%
Grove Investment Group Pty Ltd	22,097,309	5.2%

(c) 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	SANDHURST TRUSTEES LTD <COLLINS ST VALUE FUND A/C>	51,557,123	12.1%
2	NATIONAL NOMINEES LIMITED	40,171,557	9.4%
3	CITICORP NOMINEES PTY LIMITED	36,293,324	8.5%
4	GROVE INVESTMENT GROUP PTY LTD	23,942,297	5.6%
5	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	12,588,420	2.9%
6	BNP PARIBAS NOMINEES PTY LTD SIX SIS LTD <DRP A/C>	11,411,550	2.7%
7	TAVERNERS NO 11 PTY LTD <STONEYVILLE INVEST UNIT A/C>	8,926,364	2.1%
8	HORRIE PTY LTD <HORRIE SUPERANNUATION A/C>	7,000,000	1.6%
9	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	5,505,357	1.3%
10	GRANTULLY INVESTMENTS PTY LIMITED	5,501,243	1.3%
11	HILLMORTON CUSTODIANS PTY LTD <THE LENNOX UNIT A/C>	5,143,000	1.2%
12	HORRIE PTY LTD <HORRIE SUPERANNUATION A/C>	5,000,000	1.2%
13	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	4,829,864	1.1%
14	WALLBAY PTY LTD <THE MICHAEL ABELL S/F A/C>	4,740,000	1.1%
15	BNP PARIBAS NOMS PTY LTD <DRP>	3,989,469	0.9%
16	LUTON PTY LTD	3,987,005	0.9%
17	MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>	3,663,345	0.9%
18	ALITOM PTY LTD <KESTREL FAMILY A/C>	3,163,466	0.7%
19	IRAL PTY LTD <IRAL A/C>	3,125,806	0.7%
20	NEWECONOMY COM AU NOMINEES PTY LIMITED <900 ACCOUNT>	2,867,282	0.7%
Top twenty shareholders		243,406,472	56.9%
Remainder		184,367,735	43.1%
Total		**427,774,207**	**100.0%**

(d) Voting Rights

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

(e) Unquoted Securities

There are 5,663,017 rights granted under the Executive Remuneration Plan outstanding held by 16 holders.

There are 29,229,782 options granted under the Executive Remuneration Plan outstanding held by 8 holders.

CORPORATE DIRECTORY

for the year ended 30 June 2021

Directors

Maxwell J Findlay (Chairperson)
Tony Spassopoulos
Melanie Allibon
Stephen Grove
Kieran Pryke
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 2021 Annual General Meeting at 11.00am on Friday, 26 November 2021. Details will be provided in the Notice of Meeting.

Boom Logistics Limited (ASX: BOL)
Suite B Level 1,
55 Southbank Boulevard
Southbank VIC 3006
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