BOOM 2023 ANNUAL REPORT

BOOM IS LOOKING TO THE FUTURE WITH NEW LEADERSHIP, A NEW STRATEGY, AND A FOCUS ON KEY MARKETS IN RESOURCES, RENEWABLES, INFRASTRUCTURE & INDUSTRIALS.

Our core business remains a full service (wet hire) delivery of safe lifting solutions, with scale and precision, every time. Managing risk and complexity with confidence – that's the promise we make to our customers.

STRATEGY FOR GROWTH

ESG and People Expertise
Lead introduction of new hybrid cranes into the Australian market. Focus on safety and staff.

Sector-focused Profitable Growth
Right customer relationships and right capability to ensure sustainable financial returns.

Asset Regeneration & Labour Proficiency
Investment in right assets for key markets and key locations to maximise mix & efficiency.

Shareholder Value
Strengthen balance sheet and shareholder returns through efficient use of capital.

CONTENTS

Annual General Meeting

Boom Logistics will hold its 2023 Annual General Meeting at 11.00am on Friday 24 November 2023. Details will be provided in the Notice of Meeting.

boomlogistics.com.au

CHAIR'S REPORT

Melanie Allibon Non-Executive Chair

The 2023 financial year has been a year of consolidation, refreshment and strategic clarity for Boom Logistics ahead of our expectation for a profitable FY24 and beyond.

Dear shareholders,

Under our new leadership team, we launched a refreshed business strategy in June 2023 with the implementation of number of key initiatives to improve cash flow and sustainable returns, with the aim of lifting return on capital employed to more than 10%.

These initiatives include a focus on generating high-margin revenues across our core market segments of Resources, Renewables, Infrastructure and Industrials. With an increased focus also on strategic asset management and resource value, I am confident we will deliver increased returns to shareholders.

In FY23 we took steps to review and optimise our asset base with the aim of reducing our fleet age, disposing of old and obsolete assets and renewing our investment in new assets to drive customer growth and improve return on invested capital.

Operationally, we faced some challenges, with delays in the commencement of several large projects including a major wind farm project in central Queensland and the Queensland Interconnector project, due to the impacts of wet weather and supply chain issues, accentuated by specialised labour shortages. These projects have now commenced in 1Q FY24.

While we cannot with certainty predict the effects of weather, rising interest rates and geopolitical challenges on the Australian economy, the opportunities in the markets that we serve are significant. There continues to be strong demand across all key segments as demonstrated with recent contract wins and a healthy pipeline of opportunities.

At Boom, we continue to recognise the importance of sound environmental, social and governance (ESG) practices as part of our responsibility to shareholders and clients, and we have completed the work we commenced in FY22 to transition our business to having an overarching ESG framework. We continue to progress our efforts to formalise our commitment to ethical and sustainable initiatives to reduce our carbon footprint and achieve emissions targets.

We are also expanding work in the renewable energy sector, installing wind turbines and maintaining wind farm assets. In addition, our first crane with an electric power option ("E-Power Pack") was delivered in 2H FY23 as we continue to work closely with key suppliers to introduce new hybrid cranes into Australia.

Capital Management

During the year, we revised our capital management strategy in line with our goal of delivering consistent investor returns in an efficient manner to best service our shareholder base.

The strategy contemplates the return of 40% – 60% of the previous two years' rolling average operating Net Profit After Tax (NPAT), through share buy-backs, or as determined by the Board on an annual basis.

This capital management strategy aims to strengthen the Boom Logistics share price by returning capital value to shareholders. This will be further strengthened by delivering sustainable profitability and cash generation over the coming years.

Management Changes

During the financial year, there were a number of changes to our leadership team.

On 15 February 2023, Boom's Chief Operating Officer (COO) Ben Pieyre assumed the role of interim Chief Executive Officer (CEO), replacing Mr Tony Spassopoulos who stepped down from the roles of CEO and Managing Director (MD). Mr Spassopoulos joined Boom in October 2008 and was the COO from 2017 before being appointed as CEO and MD in September 2018.

On behalf of the Board, I would like to thank Tony for his service to Boom over the past 14, including his four and a half years as CEO. Tony has contributed greatly to Boom through his leadership during a period of restructuring and rebuilding (including amid the COVID-19 pandemic) while significantly reducing debt. On 10 July 2023, Mr Pieyre was appointed as CEO and MD. Ben joined Boom in 2019 and was most recently the Company's COO prior to being appointed interim CEO. The Board has been particularly impressed with Ben's leadership and operational expertise through the transition period in which he demonstrated excellent management skills, future planning capabilities, effective

> FY23 has been a year of consolidation, refreshment and strategic clarity.

decision-making, adaptability, and most importantly, a clear vision for our business. These skills will be invaluable as we look to further grow our Company.

On 28 December 2022, we appointed Mr. Emmanuel (Manny) Bikakis as Chief Financial Officer following the resignation of Andrew Bendall. Manny has widespread experience across the property development and major projects industries, petrochemicals internationally (both at BP & PPG) and the agricultural sector, where he has driven key financial and cultural turnarounds. Manny brings extensive finance and business services skills, as well as broad commercial, strategic, and operational knowledge that will help drive Boom to deliver our growth objectives.

In Closing

Looking ahead, we expect continued strong demand and tender activity across all key segments. The circa $200m in contract wins this financial year are expected to contribute to improved performance in FY24 and beyond.

Our Company will deliver on our strategy via our ongoing focus on our key sectors, securing opportunities in our core markets, optimal asset allocation and a continued focus on the bottom line, profitable growth and enhanced returns to shareholders.

750 **People** – Nationally

350 **Assets** – The largest fleet of its kind in Australia

I would like to thank our dedicated staff and shareholders for their continued support. We have worked hard to improve the Company, building on the successful delivery of projects and services in existing contracts and actively developing a strong pipeline of new growth opportunities.

Our Company is poised to make the most of the opportunities before it and we look forward to creating future value for our shareholders.

Melanie Allibon
Chair

MANAGING DIRECTOR'S REPORT

Ben Pieyre Chief Executive Officer & Managing Director

It is a pleasure to be addressing you in my first Annual Report as CEO and Managing Director of Boom Logistics.

Dear shareholders,

While the 2023 financial year has been challenging, it has also been a period of strategic renewal for our Company. We focused our efforts on a refreshed corporate strategy, a detailed portfolio profitability assessment and reviewed our future fleet requirements.

Refreshed Strategic Focus

During FY23, we implemented a number of key strategic initiatives to:

- create sustainable future returns by focusing on key segments and customers;
- continue to strengthen our balance sheet through improved asset investments; and
- improve cash flow and create value for our shareholders.

The specific initiatives undertaken included:

ESG and People Expertise: We continued to improve our environmental, social and safety culture. We worked closely with key suppliers to introduce a new electric power optioned crane into our fleet.

Sector-focused Profitable Growth: We reviewed key segments and customers we want to partner with, drove sustainable pricing and cost efficiencies, asset and resource optimisation and improved cash flow management across all businesses.

Asset Regeneration and Labour Proficiency: We improved the health of our balance sheet through asset renewals. This ensures we have the right assets in the right location with the right customers to maximise our returns on capital.

Shareholder Value: We are focusing on customer, asset and geographic profitability through resource optimisation and bottom line NPAT accountability.

> **Boom's safety performance continues to be a key operational focus, with an emphasis on risk management, leadership and assurance. Zero LTIs for over 2 years.**

BOOM'S VALUES

These are the uncompromising foundation of our organisation, guiding our decisions, behaviours and the way we do business to maximise returns for our shareholders while maintaining safety for our staff.

Total Recordable Injury Frequency Rate (TRIFR) improved to 3.8 per million hours worked

Zero Lost Time Injuries (LTIs) for over 2 years

ESG – Our Safety Record

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.

In FY23, the Total Recordable Injury Frequency Rate (TRIFR) was 3.8 per million hours worked, well below the 8.7 per million hours worked set in the previous year.

ESG continues to be a significant ongoing focus and we have completed our transition to an overarching ESG framework. Under this overarching framework we are taking steps to formalise our ESG commitments by taking implementation and reporting guidance from the Task Force on Climate-related Financial Disclosures. We intend to report voluntarily against the TCFD framework and to track our progress against baseline metrics using an ESG scorecard system.

Asset Regeneration

In line with the above initiatives, we undertook a thorough review of all assets including cranes, travel towers and other equipment, taking into account the age and utilisation of each asset. The aim of the review is to deliver on Boom's objectives of:

- Reducing our fleet age and sale of old assets to improve our balance sheet.
- Disposing of underperforming and obsolete assets.
- Continued investment in new assets to drive growth and improved returns on invested capital.

The program achieved circa $7.6m in sales proceeds in FY23, with a loss on sales of ($0.5m). Once complete in FY24, this initiative is anticipated to generate over $12m in free cash. These funds are being used to reinvest into our future fleet requirements.

$200m + New contracts signed over the last 12 months

$39.3m EBITDA

MANAGING DIRECTOR'S REPORT

continued

FY23 Financial Overview

The Company reported a net loss of $5.2m for FY23, having taken the opportunity in FY23 to reflect the new strategic direction of the organisation.

The underlying result for the year was an operating Net Profit After Tax of $0.7m, The FY23 reported result included an impairment charge of $3.9m (non-cash), a loss on sale of assets of $0.5m and a one-off restructuring cost of $1.4m resulting from the execution of our new strategy.

FY23 was hampered by the timing of our major projects and wet weather impacts in Queensland and northern NSW during 2H FY23. These factors resulted in the delay in the commencement of several large projects, including a major wind farm project in central Queensland, the Queensland Interconnector project and various large mining and resource shutdowns. It is highly expected that these projects which were originally scheduled for 2H FY23 will now commence in 1Q FY24, with many of the works scheduled to span over the next 12 months.

Our Key Market Segments

Resources

Revenue in mining and resources was down, due primarily to a non-recurring shutdown (c. $18m revenue in FY22). The underlying business grew by $11m through increased activity in Northern Western Australia and the Hunter Valley in New South Wales.

New contracts were secured in Queensland and north-west Western Australia which began in 2H FY23. Contract extensions were also secured with a large customer in Queensland and the Hunter Valley in New South Wales.

The Company successfully negotiated several contract improvements to enhance recovery of labour cost increases and skills shortages within existing contracts.

Renewables

Revenue was down $7m in FY23 as a result of the timing of major projects. Two wind farm projects were completed in FY22, while the major Queensland wind farm contract which was executed in December 2022 was delayed. Works commenced in 1Q FY24.

Other contract wins included the interconnector works (South Australia to New South Wales and Queensland). This segment is seeing significant market growth as the Australian economy transitions to new energy sources.

Infrastructure

Revenue was up $4m thanks to new works being secured. This included the Cross River Rail project in Queensland, the Olive Downs wash plant build and the Mitchell Freeway Extension in Western Australia. There were some delays at a southern New South Wales project in FY23; however, this has been a positive project for Boom and is expected to return to full capacity and be extended in FY24.

Boom also secured new infrastructure projects including sections of the Sydney Gateway project, Waterloo station and the Parkes Special Activation Precinct in New South Wales and various new Western Australia contracts in FY23.

The Company enjoys a strong tender pipeline across road infrastructure, civil engineering, rail and tunnel projects.

Industrials

Revenue was up $1m in FY23 on the back of stronger demand from the existing customers. A large Victorian crane hire and maintenance contract worth c. $25m was successfully re-signed for a further 5 years.

FY24 Outlook

Strong demand and tender activity across all key segments and circa $200m in contract wins over the last 12 months are expected to contribute to an improved performance in FY24 and beyond.

Boom will continue to execute on its revised strategy via:

- an ongoing focus on key sectors of resources, renewables, infrastructure and industrials which provide large and growing addressable markets
- top-line revenue growth opportunities and asset utilisation with a program in place to ensure optimal asset allocation
- continuing to secure opportunities in growing core markets and executing contracts secured in FY23
- continuing to focus on bottom-line profitable NPAT growth, debt management, cash flow generation and enhanced returns to shareholders.

I'd like to thank the Board for their leadership and trust over the past financial year as we have progressed our new strategy and set Boom up for growth in FY24 and beyond.

I'd also like to thank our shareholders for their continued support and our people for continuing to provide safe and dedicated services to our customers.

Ben Pieyre
Chief Executive Officer & Managing Director


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BOOM
LOGISTICS

BOOM IS A FULL SERVICE WET HIRE LIFTING SOLUTIONS BUSINESS

As a large-scale lifting project specialist, we deliver innovative solutions 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.

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, installation and maintenance.

SAFETY & QUALITY SYSTEMS

- Cultural alignment with our customer base, with an uncompromising safety focus.
- Transition to international safety standard ISO 45,001:2018 achieved.
- Confirmed certification to AS/NZS ISO 9001:2015.
- Investment to drive improvement in our safety systems, processes and organisation.

“Boom’s customer value proposition is based on total lifting solutions and specialised labour service, and provides a solid platform for future growth to maximise returns to shareholders.”

OUR PEOPLE

Boom's total full-time and flexible workforce exceeded 750 people during FY23. A vital element of our company culture and drive for responsible growth is ensuring that Boom is a safe place to work.

We have 400 full-time employees, 80% of whom provide in-field 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 350 staff outside of our full-time employees enabled the company to effectively flex our labour requirements to support a variety of projects and maintenance shutdowns.

We recognise and reward performance, create opportunities for our people to develop and provide support so they continue to thrive.

INDIGENOUS COMMITMENT

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

We will continue to support communities and 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 and is to be complemented by a formal Reconciliation Action Plan, currently under creation, which will further define our commitment to reconciliation.

DIVERSITY AND INCLUSION

In FY23, Boom maintained a 10.7% female representation average and, while just below our 12.5% target, the Company is progressing towards further gender equality targets through a formalised Gender Equality Plan.

This is in line with our commitment 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.

DEVELOPING A STRONG, ENVIRONMENTAL, SOCIAL AND GOVERNANCE CULTURE

OUR ENVIRONMENTAL & SOCIAL COMMITMENT

At Boom, we are proud of our commitment to the transition to a low-carbon future and continue to work towards our goal of becoming a zero-emission business. We are also very proud of the substantial work we do in the wind, solar and transmission line sectors, helping Australia transition to new clean power sources.

In FY23, we completed our transition to an overarching Environmental Social and Governance (ESG) framework governed by an ESG Charter. Under this overarching framework we are taking steps to formalise our ESG commitments by taking implementation guidance from the Task Force on Climate-related Financial Disclosures. We intend to report voluntarily against the TCFD framework and to track our progress against baseline metrics using an ESG scorecard system.

Our company continues to work closely with key suppliers to introduce new hybrid cranes into Australia and we purchased our first electric power optioned "E-Power Pack" mobile crane which was delivered in 2H FY23. We are also expanding work in the renewable energy sector, installing wind turbines and maintaining wind farm assets.

We also continue to meet legal and community obligations in environmental management. Our environmental impact is managed through procedures mostly directed at waste management.

Disposal of waste oil, batteries and tyres is undertaken by licensed disposal agents and 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 also in place.

OUR SAFETY RECORD

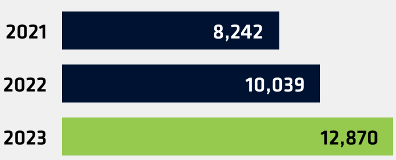
Boom's safety performance continues to be a key operational focus, with emphasis on risk management, leadership and assurance. Our goal is to ensure employees, customers and the general public are free from harm when delivering lifting solutions in complex and diverse operating environments.

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.

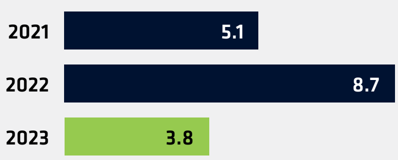
In FY23, the Total Recordable Injury Frequency Rate (TRIFR) was 3.8 per million hours worked, below the 8.7 per million hours worked set in the previous year.

Our Safe Act Observations Frequency Rate (SAOFR), which measures the number of safety-related interactions in the field, increased to 12,870 in FY23, up from 10,039 in the previous year. This highlights that the health, safety and wellbeing culture within Boom is strong.

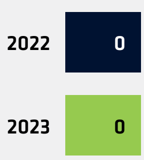
Safe Act Observation Frequency Rate (SAOFR)



Total Recordable Injury Frequency Rate (TRIFR)



Lost Time Injuries (LTIs)



> In FY23, we completed our transition to an overarching ESG framework governed by an ESG Charter.

OUR CORPORATE GOVERNANCE STATEMENT

Good corporate governance underpins the way Boom conducts its business.

The Company is committed to the highest level of governance and strives to foster a culture that values and rewards exemplary ethical standards, personal and corporate integrity and respect for others.

Our Corporate Governance Statement sets out the corporate governance framework currently in place for the Group, including the key policies and practices.

A copy of our Corporate Governance Statement can be found on our website at https://www.boomlogistics.com.au/about-us/corporate-governance/

OPERATING AND FINANCIAL REVIEW

The Company reported a net loss after tax of $5.2m for the year ended 30 June 2023 (FY22: net profit after tax of $3.8m). The underlying operating result for FY23 was a net profit after tax (NPAT) of $0.7m.

Overview

The FY23 reported result included an impairment non-cash charge of $3.9m and a loss on sale of assets of $0.5m following Boom's asset review and disposal of underperforming and obsolete assets. The Company also incurred a one-off restructuring charge of $1.5m following the approval of Boom's revised strategy.

The underlying performance of FY23 was affected by the timing of several large projects, including the Central Queensland Wind Farm project and the Queensland Interconnector which was delayed due to wet weather in Queensland in 2H FY23. The results were further impacted by the postponement of key mining and resource maintenance works and shutdowns in Western Australia and Queensland.

These deferred major projects have now commenced in 1Q FY24.

Note: In comparison, FY22 included the completion of three major projects, as opposed to no major projects starting in FY23.

Income Statement

FY23 operating net profit after tax of $0.7m before restructuring and impairment costs. Reported net loss after tax of $5.2m.

	30 June 2023 $'m	30 June 2022 $'m	% change
Revenue	**205.9**	215.8	(9.9)
Operating costs	**(166.6)**	(174.2)	(4.4)
Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA)	**39.3**	41.6	(2.3)
Depreciation and Amortisation	**(33.7)**	(34.5)	0.8
Earnings Before Interest and Tax	**5.6**	7.1	(1.5)
Net Borrowing Costs	**(4.9)**	(3.3)	(1.6)
Operating Net Profit After Tax (NPAT)	**0.7**	3.8	(3.1)
Impairment, Loss on Asset Sales & Restructuring Costs	**(5.9)**	–	(5.9)
Reported Net Profit After Tax (NPAT)	**(5.2)**	3.8	(9.0)

Revenue

Reported revenue was $205.9m (FY22: $215.8m), representing a $9.9m decline on the prior year primarily due to the timing in major project commencements in FY23 versus FY22 which included 3 major projects.

EBITDA

Earnings before interest expense, tax, depreciation and amortisation (EBITDA) was $39.3m down by $2.3m on the prior year (FY22: $41.6 million). Earnings before interest expense and tax (EBIT) fell $1.5m to $5.6m (FY22: $7.1m).

Borrowing costs were $4.9m as a result of higher interest rates and increased debt used to fund new crane acquisitions.

> Strategic clarity, putting Boom in a good position to benefit from the significant growth and opportunities in the renewables and infrastructure markets over the next 10+ years as Australia transitions to new energy sources.

The Company has implemented a number of key strategic initiatives to improve sustainable returns with a continued focus on:

- Improved margin management across its core market segments of resources, renewables, infrastructure and industrials
- Cost optimisation across its assets and key resources
- Asset regeneration to maximise efficiency and returns.

Taxation

Income tax expense in the year was zero given the reported net loss position. Boom is in a strong tax credit position, facilitating minimal tax liabilities for a number of years moving forward.

$31.1m Cash from Operating Activities

$5.6m EBIT

$0.7m Operating NPAT

OPERATING AND FINANCIAL REVIEW

continued

Balance Sheet

Net assets as at 30 June 2023 were $105.5m, down from $110.2m as at 30 June 2022. The key movement is related to the restructuring and impairment non-cash costs incurred during FY23.

The current average fleet age is 10.4 years (FY22: 10.7 years). The Group's long-term target is to maintain a fleet with an average age of c. 9 years.

Return on capital employed (EBIT/total assets less cash and creditors) was 3.0%, compared with 4.1% in the prior year.

Capex

As part of the asset renewal strategy, net capital expenditure in FY23 was $25.0m (FY22 $16.8m), which was predominantly funded through finance lease borrowings.

Debt Facilities

The investments were new assets during the year were supported by the existing finance facilities with ScotPac and De Lage Landen Pty Limited.

Current debt facilities available total $123.2m, of which $45.8m has been drawn on 30th June 2023.

Note that no new financing facilities were required during the year, given the ample headroom available. This current headroom is sufficient to facilitate all future growth requirements.

Gearing Ratio

To improve the average age of the equipment fleet, the Group considers the gearing range of between 30% – 45% to be appropriate for the reporting period. Gearing is defined as group interest-bearing loans and lease borrowings less cash divided by net assets.

On 30 June 2023, the gearing ratio was 41% (FY22: 29%). The increase to gearing was directly due to the increased capex, primarily funded through lease borrowings. The Company considers this increase appropriate given the availability of long-term committed debt facilities and the strong/pipeline growth opportunities over the coming years.

Considerations for the Group's gearing range include:

- outlook for the Group's key markets and wider economic environment
- customer requirements and opportunities to invest in new equipment for growth that will provide an appropriate return on capital invested
- ongoing requirement to replace and maintain the core fleet. Proceeds realised from ongoing capital recycling of older, less productive equipment to reinvest in new assets with enhanced technology and safety systems, reduce fleet maintenance costs, improve fuel efficiency and increase overall fleet utilisation
- operating free cash flow generated by the Group in any period.

The Group may deviate from the guidelines above to capitalise on opportunities that deliver strong 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 capital appreciation.

The aim is to maintain a fleet of equipment optimised to anticipate, respond to and service our customers through market cycles and contribute to a safe working environment for our people and customers in the locations and with the operating teams to support their businesses.

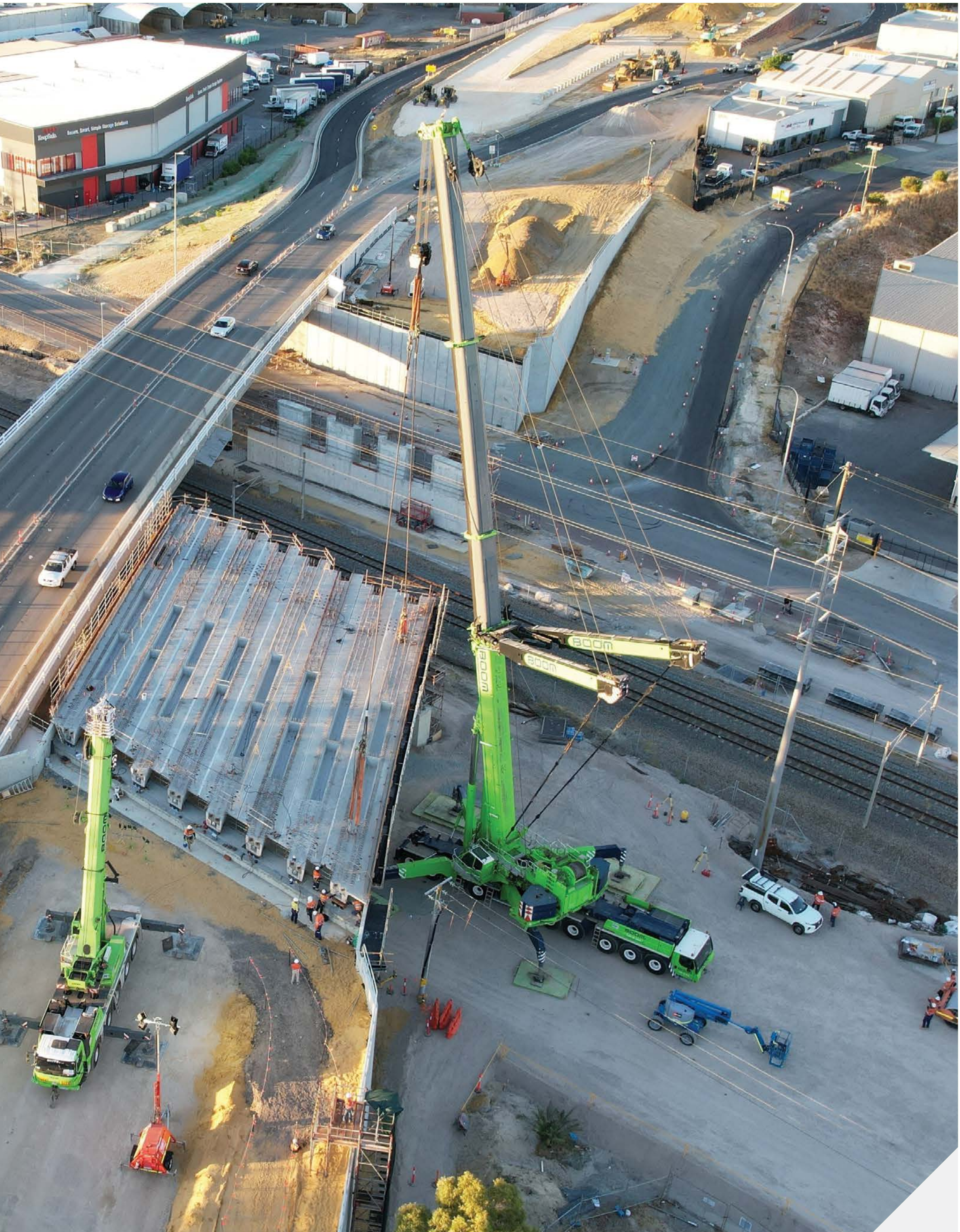
Cash Flow

Net cash provided by operating activities was $31.1m (FY22 $35.4m). These funds were primarily used to pay down borrowings.

Capital Management

Boom is committed to delivering consistent investor returns in an efficient manner to best service our shareholder base and to be clear in describing our capital management strategy to investors.

During the year, the Board approved a capital management strategy that contemplates the return of 40% – 60% of the previous 2 years' rolling average NPAT. The group expects to confirm the level of return for FY24 prior to the November 2023 Annual General Meeting.


BOOM
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BOARD OF DIRECTORS AND EXECUTIVE TEAM

Melanie Allibon – MAICD

Independent, Non-executive Chair (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 3 years, Ms Allibon has held ASX-listed public company directorships with Acrow Formwork and Construction Services (current). Ms Allibon was appointed Chair of the Board on 27 November 2021.

Ben Pieyre

Chief Executive Officer and Managing Director (Director appointed 10 July 2023)

Previously Chief Operating Officer (appointed 4 January 2021) and interim Chief Executive Officer and Director (appointed 15 February 2023)

Mr Pieyre joined Boom in September 2019. He has worked in the crane hire industry since 2006, commencing his career as a fleet controller before establishing his role in senior management. He has extensive operational experience specialising in civil construction, industrial services and maintenance sectors, as well as HR/IR and engineering. Mr Pieyre is currently the President of the Crane Industry Council of Australia board. Mr Pieyre holds an Advanced Diploma in Leadership and Management and French qualifications in business management, human resources, commerce and marketing. Since the date of appointment, Mr Pieyre has not held any other ASX-listed public company Directorships.

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 9 years in Lendlease Corporation's construction, development and investment management divisions, and of Australand Property Group and Grocon Group. Currently he is chair of Aura Medical Group Pty Limited, 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 (to March 2022). Mr Pryke is Chair of the Boom Logistics Audit and Risk Committee.

Stephen Grove

Non-independent, Non-executive Director (appointed 6 November 2020)

Mr Grove is Executive Chairman of the Grove Group of Companies which operates in hire of relocatable buildings in the manufacturing and construction sectors. The Grove Group also has businesses in the food and beverage sector, property development, motorsport and private investment. He founded the Grove 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.

Damian Banks – B.Econ.,

Independent, Non-executive Director (appointed 29 November 2021)

Mr Banks has extensive experience in the financial services, health and employment sectors. He has proven experience in the development and profitable expansion of businesses with a focus on financial management, technology and people. He has a strong track record in customer-focused culture development, and considerable M&A experience. Mr Banks' most recent executive role was as Managing Director and CEO of Konekt Limited, a technology-focused health and employment company. Mr Banks previously had a 15-year career, including several leadership positions with Westpac Banking Corporation. During the past 3 years, Mr Banks has held ASX-listed public company directorships with ICSGlobal Limited (current), IMEXHS Limited (current) and RPM Automotive Group Limited (to June 2022). Mr Banks is Chair of the Boom Logistics Nomination and Remuneration Committee.

James Scott – BEng Hons, GAICD, FIEAust, CPEng EngExec

Independent, Non-executive Director (appointed 29 November 2021)

Mr Scott is a seasoned professional with over 26 years' experience in the media, telecommunications and technology sector with industry and advisory businesses at a local and international level. Mr Scott is currently a non-executive director of ASX-listed Integrated Research Limited, an operational advisor to private equity firm Liverpool Partners, is Chair of MerchantWise Group, Chair of technology services business Seisma Pty Ltd, Chair of Simplyai and a non-executive director of software business Orbx Pty Ltd. Mr Scott was previously a non-executive director of Skyfii Ltd and prior to his director career was the Managing Director of Accenture Digital, a Partner in KPMG's Advisory Division and was the Chief Operating Officer of Seven Group Holdings. Mr Scott was a founder and director of Imagine Broadband Limited and was a director of WesTrac and Coates Hire during his time with Seven Group Holdings. During the past 3 years, Mr Scott has held ASX-listed public company directorships with Integrated Research Limited (current). Mr Scott is Chair of the Boom Logistics ESG Committee. Mr Scott is also a Graduate of the Australian Institute of Company Directors (GAICD) and a Fellow of Engineers Australia.

BOARD OF DIRECTORS AND EXECUTIVE TEAM

continued

Emmanuel (Manny) Bikakis – B. Bus (Accounting & Business Law), Post Grad (Management), CPA, MAICD

Chief Financial Officer (appointed December 2022)

Manny has widespread experience across the property development and major projects industries, petrochemicals internationally (both at BP and PPG), and the Agricultural sector, where he has driven key financial and cultural turnarounds. Manny brings extensive finance and business services skills, as well as broad commercial, strategic and operational knowledge. Manny is a Certified Practising Accountant, holds a Bachelor of Business (Accounting and Business Law), post-graduate qualifications in Management and is a Member of the Australian Institute of Company Directors.

Reuben David – B.Comm, LLB(Hons) (Melb), FGIA

Company Secretary (appointed 10 January 2022)

Mr David joined Boom Logistics from Orica Limited where he served as Acting General Counsel and Company Secretary for Orica's West Australian Joint Ventures. Previously, Mr David served as Senior Legal Counsel at Bluescope Steel Limited, and before that he worked as a commercial lawyer with Minter Ellison and K&L Gates. He holds a Bachelor of Commerce and Bachelor of Law (Honours) degree from the University of Melbourne and is a Fellow of the Governance Institute of Australia.

Tony Spassopoulos – BBus (Management), MBA

Former Managing Director (appointed 20 September 2018) (stepped down 14 February 2023)

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 four years, Mr Spassopoulos has not held any other ASX-listed public company directorships.


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FINANCIAL REPORT

DIRECTORS' REPORT

for the year ended 30 June 2023

Your Directors present their report on the consolidated entity (referred to hereafter as "the Group" or "Boom") consisting of Boom Logistics Limited ("Boom Logistics" or "the Company") and the entities it controlled for the financial year ended 30 June 2023.

Directors

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

Ben Pieyre

Qualifications and biographies (see previous pages)

Melanie Allibon

Qualifications and biographies (see previous pages)

Stephen Grove

Qualifications and biographies (see previous pages)

Kieran Pryke

Qualifications and biographies (see previous pages)

Damian Banks

Qualifications and biographies (see previous pages)

James Scott

Qualifications and biographies (see previous pages)

Tony Spassopoulos

Qualifications and biographies (see previous pages)

Company Secretary

Reuben David

Qualifications and biographies (see previous pages)

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. Allibon	300,000	–	–
B. Pieyre	–	1,428,611	2,152,500
S.A. Grove	59,322,639	–	–
K. Pryke	250,000	–	–
D. Banks	2,000,000	–	–
J. Scott	200,000	–	–

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 & Risk Committee		Nomination & Remuneration Committee		Environment, Social & Governance Committee	
Name of director	Held	Attended	Held	Attended	Held	Attended	Held	Attended
M.J. Allibon	13	13	7	7	2	2	4	4
B. Pieyre*	6	6	3	3	–	–	2	2
S.A. Grove	13	12	7	6	2	2	4	4
K. Pryke	13	13	7	7	2	2	4	4
D. Banks	13	13	7	6	2	2	4	4
J. Scott	13	13	7	7	2	2	4	4
T. Spassopoulos*	7	7	4	4	–	–	2	2

*Includes the number of meetings held during FY23 while the Director was a member of the Board or Committee.

a Mr Grove, Mr Spassopoulos and Mr Pieyre attended the Audit and Risk Committee meetings by invitation.

b Mr Scott attended the Nomination and Remuneration Committee meetings by invitation.

DIRECTORS' REPORT

for the year ended 30 June 2023

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 13 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.

Operating and Financial Review

A review of Group operations and results for the financial year ended 30 June 2023 is set out in the operating and financial review section of the annual report and in the accompanying financial statements.

Information on the Group's business strategies and prospects for future financial years that could result in unreasonable prejudice to the Group (for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage) has not been included in the operating and financial review section of the annual report.

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. A copy of our Corporate Governance Statement can be found on our website at https://www.boomlogistics.com.au/about-us/corporate-governance/.

Significant Changes in the State of Affairs

During the financial year, there have been no significant changes in the state of affairs other than that reported in the Operating and Financial Review section disclosed above.

Significant Events After the Balance Date

The Directors are not aware of any other matter or circumstance that has arisen since 30 June 2023 that has significantly affected or may significantly affect the operations of the Group in subsequent financial years, the results of those operations or the state of affairs of the Group in future financial years.

Dividend

There were no interim dividends paid during the year. On 24 August 2023, the Directors of Boom Logistics Limited declared that no final dividend would be paid for the financial year ended 30 June 2023.

Likely Developments and Expected Results

The Directors expect performance 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 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.

Information on likely developments in the Group's business strategies, prospects and operations for future financial years and the expected results that could result in unreasonable prejudice to the Group (for example, information that is commercially sensitive, confidential or could give a third party a commercial advantage) has not been included in this report.

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 2023 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 2023 ("FY23"). 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") encompassing the NEDs and Executive 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 while ensuring remuneration is appropriate. The Executive KMP remuneration framework and KMP remuneration is reviewed annually by the Board with the assistance of the Nomination and 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
- reward for performance represents a balance of annual and longer term targets
- NED fees are determined by reference to extended survey data
- NEDs are not provided any incentive-based remuneration.

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
- 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.

The Company prohibits participants in its equity-based plans from entering into transactions (e.g. hedging arrangements) that limit the economic risk of participating in the plan.

In FY23, neither the Board nor the Nomination and Remuneration Committee received any remuneration recommendations from remuneration consultants.

Details of Key Management Personnel

The tables below set out the KMP and their movements during FY23.

Key Management Personnel (Executive)

Name	Title	Period as a KMP
Current KMP		
Ben Pieyre[1]	Chief Operating Officer	1 July 2022 – 14 February 2023
	Interim Chief Executive Officer & Managing Director	15 February 2023 – 30 June 2023
Manny Bikakis	Chief Financial Officer	28 December 2022 – 30 June 2023
Former KMP		
Tony Spassopoulos	Chief Executive Officer & Managing Director	1 July 2022 – 14 February 2023
Andrew Bendall	Chief Financial Officer	1 July 2022 – 27 December 2022

1 Ben Pieyre was appointed to the role of Chief Executive Officer & Managing Director on 10 July 2023.

Key Management Personnel (Non-executive Directors)

Name	Position[a]	Period	Audit & Risk	Committees Nomination & Remuneration	Environment, Social & Governance
Melanie Allibon	Chair	All of FY23	Member	Member	Member
Stephen Grove	Non-executive Director	All of FY23	Member	Member	Member
Kieran Pryke	Non-executive Director	All of FY23	Chair	Member	Member
Damian Banks	Non-executive Director	All of FY23	Member	Chair	Member
James Scott	Non-executive Director	All of FY23	Member	Member	Chair

a All non-executive directors were directors for the full financial year and are independent, except for Stephen Grove who is not independent.

Remuneration Arrangements of Executive Key Management Personnel

In the normal course of business, remuneration comprises fixed remuneration (fixed annual reward (FAR)) and variable or "at risk" remuneration incentives. The Group's remuneration structure for the Executive KMP comprises 2 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. As this is a voluntary salary sacrifice plan, no performation conditions apply to the grant and is not considered variable remuneration.

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 immediately prior to the grant date. 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 12 months of the Annual General Meeting ("AGM").

Rights will have a 12 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.

There is no amount payable by the Executive KMP on exercise of the rights.

If the Executive KMP ceases employment with the Company after the rights have been granted, but prior to exercising them, the Executive KMP will be entitled to keep the rights. The 12 month exercise restriction will be lifted on the date of termination and the rights must be exercised within 30 days following cessation.

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. Of the STIP outcome achieved for the financial year, 50% 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 12 months of the AGM. Rights will have a 6 month exercise restriction commencing from the grant date. There is no amount payable by the Executive KMP on exercise of the rights.

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
- reward individual performance in meeting annual goals
- align reward with the Group's values, safety and financial target.

c) Long-term incentive plan

Eligible executives will be granted rights to acquire ordinary shares in the Company, subject to performance hurdles, and some or all may vest at the end of the 3 year period if the performance hurdles are met.

Each right is a right to acquire one ordinary share in the Company (or an equivalent cash amount). The exact number of rights to be granted is based on the long-term incentive plan (LTIP) opportunity divided by the 5-day volume weighted average price following the AGM. Rights do not carry any dividend or voting rights. Rights will be granted within 12 months of the AGM.

Rights are subject to performance hurdles based on 2 independent measures comprising absolute earnings per share (EPS) (50% weighting), and net profit after tax (NPAT) (50% weighting), which are measured at the end of the 3 year performance period with both tranches subject to and conditional on meeting a safety gateway hurdle. 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). There is no amount payable by the Executive KMP on exercise of the rights.

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**
Ben Pieyre[a]	Interim Chief Executive Officer & Managing Director	500,000	40%	30%
Ben Pieyre[b]	Chief Operating Officer	400,000	30%	20%
Manny Bikakis	Chief Financial Officer	400,000	40%	30%
Tony Spassopoulos	Former Chief Executive Officer & Managing Director	618,000	40%	50%
Andrew Bendall	Former Chief Financial Officer	350,000	30%	20%

a Ben Pieyre's FAR disclosed was during his role as interim Chief Executive Officer & Director which comprises $400,000 base salary and $100,000 higher duties allowance.

b Ben Pieyre was Chief Operating Officer up to 14 February 2023.

DIRECTORS' REPORT

for the year ended 30 June 2023

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.

	2023 $'000	2022 $'000	2021 $'000	2020 $'000	2019 $'000
Net (loss)/profit attributable to member of Boom Logistics Limited	**$(5,161)**	$3,791	$1,230	$(16,959)	$(5,330)
Dividends paid	**$-**	$6,417	$4,278	$-	$-
Share price at financial year end[a]	**$0.12**	$0.15	$0.14	$0.11	$0.15
(Loss)/earnings per share	**$(0.01)**	$0.01	$0.00	$(0.04)	$(0.01)
Return on capital employed (Trading EBIT/capital employed)	**3.0%**	4.1%	2.5%	(1.4%)	1.5%

a Opening share price in FY2019 was $0.24.

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 and Managing Director Remuneration

The following is Mr. Pieyre's employment contract while he was acting Interim Chief Executive Officer and Director appointed 15 February 2023. Mr. Pieyre became Chief Executive Officer and Managing Director on 10 July 2023 and the employment contract under that role will be disclosed next year.[1]

Mr. Pieyre has an employment contract that has no fixed term. Both the Company and Mr. Pieyre are entitled to terminate the employment contract on three 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. Pieyre's remuneration package as at 30 June 2023 comprised the following components:

- FAR of $400,000 per annum, inclusive of allowances and superannuation contributions in line with the Superannuation Guarantee legislation. Mr. Pieyre's FAR is reviewed annually effective 1 October each year taking into account the Group's performance, industry and economic conditions and personal performance
- higher duties allowance of $100,000 per annum, inclusive of superannuation, for the period in the interim CEO role;
- STIP equivalent to 40% of his FAR upon achievement of performance conditions set by the Board of Directors on an annual basis. Of the STIP outcome achieved for the financial year, 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
- LTIP equivalent to 30% of his FAR is allocated in rights of the Company with a performance hurdle based on safety performance as a gate-opener, absolute EPS (50% weighting), and NPAT (50% weighting) measured at the end of the 3 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. Pieyre will be entitled to receive:

- the maximum amount permitted by the *Corporations Act 2001* (the Corporations Act) at the date of redundancy or diminution

1 Mr. Pieyre's remuneration package as CEO and MD from 10 July 2023 comprise FAR of $525,000, STIP equivalent to 50% of FAR, and LTIP equivalent to 50% of FAR.

- 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. Pieyre was to be summarily dismissed, he would be paid for the period served prior to dismissal and any accrued leave entitlements. Mr. Pieyre would not be entitled to the payment of any bonus under the STIP or LTIP. Mr. Pieyre 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 3 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 and 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 2023 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	LTIP	Annual & long service leave[c]	Total	Performance -related
Executives										
Ben Pieyre (Chief Executive Officer and Managing Director)[d]										
2023	**400,125**	**21,972**	**-**	**27,500**	**-**	**-**	**18,158**	**10,712**	**478,467**	**8.4%**
2022	331,000	65,639	-	27,500	-	45,640	37,407	7,099	514,285	28.9%
Manny Bikakis (Chief Financial Officer)[e]										
2023	**190,486**	**-**	**-**	**13,750**	**-**	**-**	**18,947**	**14,172**	**237,355**	**8.0%**
Tony Spassopoulos (Former Chief Executive Officer and Managing Director)[f]										
2023	**282,846**	**9,863**	**11,216**	**17,187**	**75,000**	**-**	**(201,197)**	**35,191**	**230,106**	**-**
2022	448,377	74,036	18,248	27,500	120,000	74,037	66,917	47,983	877,098	24.5%
Andrew Bendall (Former Chief Financial Officer)[g]										
2023	**161,279**	**-**	**-**	**13,750**	**7,000**	**-**	**(22,105)**	**2,103**	**162,027**	**-**
2022	246,695	30,581	-	22,917	24,500	30,582	22,105	7,255	384,635	21.6%
Total Remuneration: Executive KMP										
2023	**1,034,736**	**31,835**	**11,216**	**72,187**	**82,000**	**-**	**(186,197)**	**62,178**	**1,107,955**	**-**
2022	1,026,072	170,256	18,248	77,917	144,500	150,259	126,429	62,337	1,776,018	-

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 17.

c 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.

d Ben Pieyre was Chief Operating Officer and interim Chief Executive Officer & Director before being appointed Chief Executive Officer & Managing Director on 10 July 2023.

e Manny Bikakis was appointed Chief Financial Officer on 28 December 2022.

f Tony Spassopoulos stepped down as Chief Executive Officer and Managing Director on 14 February 2023.

g Andrew Bendall resigned as Chief Financial Officer on 28 December 2022.

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. In addition, non-executive Directors have no entitlement to STIP, no equity incentives are offered and no retirement benefits are payable other than statutory contributions. The maximum aggregate sum for non-executive Director remuneration of $750,000 (2022: $750,000) was approved by shareholders at the 2021 Annual General Meeting.

Details of non-executive Directors' remuneration for the year ended 30 June 2023 are as follows:

	Short Term			Post-Employment	Share-based Payments	Long-term	
	Cash salary	Cash bonus	Other	Super-annuation	All	Annual & long service leave	Total
Non-Executive Directors							
Melanie Allibon							
2023	**142,727**	**–**	**–**	**14,986**	**–**	**–**	**157,713**
2022	108,356	–	–	10,836	–	–	119,192
Stephen Grove							
2023	**79,091**	**–**	**–**	**8,305**	**–**	**–**	**87,396**
2022	70,284	–	–	7,028	–	–	77,312
Kieran Pryke[a]							
2023	**140,682**	**–**	**–**	**14,772**	**–**	**–**	**155,454**
2022	75,587	–	–	7,559	–	–	83,146
Damian Banks							
2023	**83,636**	**–**	**–**	**8,782**	**–**	**–**	**92,418**
2022	46,253	–	–	4,625	–	–	50,878
James Scott							
2023	**83,636**	**–**	**–**	**8,782**	**–**	**–**	**92,418**
2022	46,253	–	–	4,625	–	–	50,878
Total Remuneration: non-executive Directors							
2023	**529,772**	**–**	**–**	**55,627**	**–**	**–**	**585,399**
2022	346,733	–	–	34,673	–	–	381,406
Total Remuneration: non-executive Directors and Executive KMP							
2023	**1,564,508**	**31,835**	**11,216**	**127,814**	**(104,197)**	**62,178**	**1,693,354**
2022	1,372,805	170,256	18,248	112,590	421,188	62,337	2,157,424

a Kieran Pryke received additional director fees of $15,000 per month for increased involvement in the business during the CEO transition period.

DIRECTORS' REPORT

for the year ended 30 June 2023

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 Rights	LTIP Options
Melanie Allibon	300,000	–	–	–	–
Ben Pieyre	–	–	584,729	843,882	2,152,500
Stephen Grove	59,322,639	–	–	–	–
Kieran Pryke	250,000	–	–	–	–
Damian Banks	2,000,000	–	–	–	–
James Scott	200,000	–	–	–	–
Manny Bikakis	200,000	–	–	421,941	–

Shareholdings of Directors and Executive KMP

Ordinary shares held in Boom Logistics Limited (number) 30 June 2023	Balance at start of year	Net change other(i)	Balance at end of year
Non-executive & Executive Directors			
Melanie Allibon	300,000	–	300,000
Ben Pieyre	–	–	–
Stephen Grove(ii)	59,322,639	–	59,322,639
Kieran Pryke	200,000	50,000	250,000
Damian Banks(ii)	600,000	1,400,000	2,000,000
James Scott	–	200,000	200,000
Tony Spassopoulos	1,500,000	n/a	n/a
Executives			
Manny Bikakis	–	200,000	200,000
Andrew Bendall	–	n/a	n/a
Total	**61,922,639**	**1,850,000**	**62,272,639**

(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.

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	**2023**	**28 Feb 23**	**419,684**	**$0.1435**	**28 Feb 24**	**28 Feb 33**	**$60,000**
	2022	30 Aug 22	356,068	$0.1697	30 Aug 23	30 Aug 32	$60,000
Andrew Bendall	2022	30 Aug 22	124,624	$0.1697	30 Aug 23	30 Aug 32	$21,000

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 2023	**Grant date**	**Tony Spassopoulos**	**Andrew Bendall**	**Total**
Salary Sacrifice Rights				
Balance at start of year		2,995,020	55,612	3,050,632
Granted during year:	30 Aug 22	356,068	124,624	480,692
	28 Feb 23	419,684	–	419,684
Exercised during year		–	(180,236)	(180,236)
Balance at end of year		**3,770,772**	**–**	**3,770,772**
Number of rights exercisable		2,995,020	–	2,995,020
Number of rights not exercisable		775,752	–	775,752

Determining the STIP Outcomes of the Executive KMP

For the FY2022 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**
Ben Pieyre	2022	5 Sep 22	302,413	$0.1509	5 Mar 23	5 Sep 32	$45,640
Tony Spassopoulos	2022	5 Sep 22	490,574	$0.1509	5 Mar 23	5 Sep 32	$74,036
Andrew Bendall	2022	5 Sep 22	202,637	$0.1509	5 Mar 23	5 Sep 32	$30,582

For the FY2023 STIP, the Nomination and Remuneration Committee conducted a review of the Executive KMP performance against their set targets which resulted in no STIP being awarded to the Executive KMP.

Rights to ordinary shares (number) 30 June 2023	**Grant date**	**Ben Pieyre**	**Tony Spassopoulos**	**Andrew Bendall**	**Total**
STIP Rights					
Balance at start of year		282,316	925,299	–	1,207,615
Granted during year:	5 Sep 22	302,413	490,574	202,637	995,624
Exercised during year		–	–	(202,637)	(202,637)
Balance at end of year		**584,729**	**1,415,873**	**–**	**2,000,602**
Number of rights exercisable		584,729	1,415,873	–	2,000,602
Number of rights not exercisable		–	–	–	–

Determining the LTIP Outcomes of the Executive KMP

Set out below are rights and 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	Type	Grant number	Vesting date	Fair value per equity at grant date	Exercise price	Expiry date	Vesting bench-mark	Value of equity granted during the year
Ben Pieyre	**2023**	**8 Dec 22**	**rights**	**843,882**	**31 Aug 25**	**$0.1422**	**n/a**	**31 Aug 27**	**(i)**	**$120,000**
	2022	6 Dec 21	options	1,802,500	31 Aug 24	$0.0400	$0.179	30 Sep 24		$72,100
Manny Bikakis	**2023**	**8 Dec 22**	**rights**	**421,941**	**31 Aug 25**	**$0.1422**	**n/a**	**31 Aug 27**	**(i)**	**$60,000**
Tony Spassopoulos	2022	6 Dec 21	options	7,725,000	31 Aug 24	$0.0400	$0.179	30 Sep 24		$309,000

(i) The 2023 LTIP vesting benchmark consists of 3 independent vesting hurdles, each of which is measured at the end of the three year performance period. The three performance hurdles are Safety Performance as gate opener, EPS of $0.04 or more (50% weighting), and NPAT of $16.9m or more (50% weighting).

Of the FY2021 options allocated to the Executive KMP, only the safety performance hurdle was achieved and vested at 20%. The remaining vesting conditions were not met. In accordance with the LTIP rules, 80% of the FY2021 options were treated as lapsed at the reporting date.

Held in Boom Logistics Limited (number) 30 June 2023	Type	Grant date	Balance at start of year Unvested	Granted	Lapsed	Forfeited	Balance at end of year Unvested	Balance at end of year Vested
Ben Pieyre	rights	8 Dec 22	–	843,882	–	–	843,882	–
	options	6 Dec 21	1,802,500	–	–	–	1,802,500	–
	options	4 Dec 20	1,750,000	–	(1,400,000)	–	–	350,000
			3,552,500	**843,882**	**(1,400,000)**	**–**	**2,646,382**	**350,000**
Manny Bikakis	rights	8 Dec 22	–	421,941	–	–	421,941	–
Tony Spassopoulos	options	6 Dec 21	7,725,000	–	–	(7,725,000)	–	–
	options	4 Dec 20	7,500,000	–	(6,000,000)	–	–	1,500,000
			15,225,000	**–**	**(6,000,000)**	**(7,725,000)**	**–**	**1,500,000**
Andrew Bendall	options	6 Dec 21	1,750,000	–	–	(1,750,000)	–	–
Total			**20,527,500**	**1,265,823**	**(7,400,000)**	**(9,475,000)**	**3,068,323**	**1,850,000**

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 34 and forms part of the directors' report for the financial year ended 30 June 2023.

Non-audit Services

No non-audit services were provided by Grant Thornton, the Company's auditor.

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.

Melanie Allibon
Chair

Ben Pieyre
Managing Director

Melbourne, 25 August 2023

Grant Thornton

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Auditor's Independence Declaration

To the Directors of Boom Logistics Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the audit of Boom Logistics Limited for the year ended 30 June 2023, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A C Pitts
Partner – Audit & Assurance

Melbourne, 25 August 2023

www.grantthornton.com.au
ACN-130 913 594

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2023

	Note	2023 $'000	2022 $'000
Revenue	2	**205,872**	215,844
Other income	3(a)	**63**	228
Salaries and employee benefits expense		**(103,574)**	(96,592)
Equipment service and supplies expense	3(b)	**(49,439)**	(63,492)
Operating lease expense		**(979)**	(187)
Other expenses	3(b)	**(13,180)**	(14,245)
Restructuring expense		**(1,611)**	–
Depreciation and amortisation expense	7	**(14,009)**	(16,597)
Depreciation expense – right-of-use assets	12	**(19,678)**	(17,876)
Impairment expense	7(a)	**(3,699)**	–
(Loss)/profit before financing expense and income tax		**(234)**	7,083
Financing expense	9(d)	**(1,847)**	(1,922)
Financing expense – lease liabilities	12	**(3,080)**	(1,370)
(Loss)/profit before income tax		**(5,161)**	3,791
Income tax	4(a)	**–**	–
Net (loss)/profit attributable to members of Boom Logistics Limited		**(5,161)**	3,791
Other comprehensive (loss)/income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges recognised in equity, net of tax		**–**	33
Other comprehensive (loss)/income for the year, net of tax		**–**	33
Total comprehensive (loss)/income for the year attributable to members of Boom Logistics Limited		**(5,161)**	3,824
Basic (losses)/earnings per share (cents per share)	5	**(1.2)**	0.9
Diluted (losses)/earnings per share (cents per share)	5	**(1.2)**	0.9

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 30 June 2023

	Note	2023 $'000	2022 $'000
CURRENT ASSETS			
Cash and cash equivalents		**2,445**	2,414
Trade receivables, contract assets and other receivables	2(b)	**47,658**	41,469
Inventories, prepayments and other current assets		**4,002**	2,994
Assets classified as held for sale	7(a)	**8,706**	–
TOTAL CURRENT ASSETS		**62,811**	46,877
NON-CURRENT ASSETS			
Property, plant and equipment	7	**82,546**	107,693
Right-of-use assets	12	**61,928**	36,214
TOTAL NON-CURRENT ASSETS		**144,474**	143,907
TOTAL ASSETS		**207,285**	190,784
CURRENT LIABILITIES			
Trade and other payables		**19,138**	14,912
Interest bearing loans and borrowings	9	**11,834**	17,375
Lease liabilities	12	**31,790**	14,920
Employee provisions		**9,267**	9,929
Other provisions and liabilities		**5,948**	4,709
Income tax payable	4(c)	**–**	185
TOTAL CURRENT LIABILITIES		**77,977**	62,030
NON-CURRENT LIABILITIES			
Lease liabilities	12	**19,989**	15,112
Employee provisions		**330**	368
Other provisions and liabilities		**3,453**	3,043
Deferred tax liabilities	4(b)	**3**	3
TOTAL NON-CURRENT LIABILITIES		**23,775**	18,526
TOTAL LIABILITIES		**101,752**	80,556
NET ASSETS		**105,533**	110,228
EQUITY			
Contributed equity	11(a)	**310,327**	310,327
Retained losses		**(208,395)**	(203,234)
Reserves		**3,601**	3,135
TOTAL EQUITY		**105,533**	110,228

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 2023

	Note	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers		**222,885**	239,995
Payments to suppliers and employees		**(186,898)**	(199,321)
Interest paid		**(1,729)**	(1,682)
Interest paid – lease liabilities	12	**(3,080)**	(1,370)
Interest received		**63**	8
Interest received – lease receivables	12	**-**	9
Income tax (paid)		**(185)**	(2,224)
Net cash provided by operating activities		**31,056**	35,415
Cash flows from investing activities			
Purchase of property, plant and equipment		**(6,879)**	(5,160)
Proceeds from the sale of property, plant and equipment		**7,614**	2,913
Net cash provided by/(used in) investing activities		**735**	(2,247)
Cash flows from financing activities			
Payment of dividends	6	**-**	(6,417)
Repayment of borrowings		**(5,657)**	(6,836)
Repayment of borrowings – Lease liabilities		**(26,103)**	(20,725)
Receipts from finance leases as lessor	12	**-**	877
Net cash (used in) financing activities		**(31,760)**	(33,101)
Net increase in cash and cash equivalents		**31**	67
Cash and cash equivalents at the beginning of the period		**2,414**	2,347
Cash and cash equivalents at the end of the period		**2,445**	2,414

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 2023

	Note	Contributed Equity $'000	Retained Losses $'000	Retained Profits $'000	Cash Flow Hedge Reserve $'000	Employee Equity Benefits Reserve $'000	Total Equity $'000
At 1 July 2021		310,327	(201,838)	1,230	(33)	3,049	112,735
Profit for the year		–	–	3,791	–	–	3,791
Other comprehensive income		–	–	–	33	–	33
Total comprehensive income		**–**	**–**	**3,791**	**33**	**–**	**3,824**
Transactions with owners in their capacity as owners:							
Cost of share based payments	17(b)	–	–	–	–	86	86
Dividends paid		–	(6,417)	–	–	–	(6,417)
At 30 June 2022		**310,327**	**(208,255)**	**5,021**	**–**	**3,135**	**110,228**
Loss for the year		–	(5,161)	–	–	–	(5,161)
Other comprehensive loss		–	–	–	–	–	–
Total comprehensive loss		**–**	**(5,161)**	**–**	**–**	**–**	**(5,161)**
Transactions with owners in their capacity as owners:							
Cost of share based payments	17(b)	–	–	–	–	466	466
Dividends paid		–	–	–	–	–	–
At 30 June 2023		**310,327**	**(213,416)**	**5,021**	**–**	**3,601**	**105,533**

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 2023 was authorised for issue in accordance with a resolution of the Board of Directors on 25 August 2023.

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

Going concern assumption

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

At 30 June 2023, the Group had a net current asset deficiency (current assets less current liabilities) of $15.166 million. The current asset deficiency is impacted by the classification of the trade receivables loan of $11.676 million which falls due under existing arrangements in December 2023 (refer to note 11). The Directors are confident that a suitable renewal will be achieved before the loan falls due.

In addition, the Directors have considered the following:

- the Group maintains a positive net assets/total equity position of $105.533 million
- net cash provided by operating activities generated $31.056 million during the period
- forecast results for the next financial year are expected to be positive based on best-estimate assumptions at the time;

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

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 one reportable segment:

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

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

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

Section A: Financial Performance (continued)

1. Segment Reporting (continued)

Segment information

Year ended 30 June 2023	Lifting Solutions $'000
Segment revenue	
Total external revenue	**205,872**
Other income	**63**
Total revenue and other income	**205,935**
Segment result	
Operating result	**43,939**
Net loss on disposal of property, plant and equipment	**(537)**
Depreciation and amortisation expense	**(14,005)**
Depreciation expense – right-of-use assets	**(19,453)**
Restructuring expense	**(1,106)**
Impairment expense	**(3,699)**
Loss before net interest and tax	**5,139**
Net interest	**(4,830)**
Non-segment centralised costs	**(5,470)**
Income tax	**-**
Loss from continuing operations	**(5,161)**

	Segment assets and liabilities		
Year ended 30 June 2023	**Segment assets $'000**	**Segment liabilities $'000**	**Additions to non-current assets $'000**
Lifting Solutions	**204,872**	**96,701**	**55,344**
Non-segment centralised costs	**2,413**	**5,051**	**-**
Total	**207,285**	**101,752**	**55,344**

Year ended 30 June 2022	Lifting Solutions $'000
Segment revenue	
Total external revenue	**215,844**
Other income	**228**
Total revenue and other income	**216,072**
Segment result	
Operating result	**47,234**
Net profit on disposal of property, plant and equipment	**211**
Depreciation and amortisation expense	**(16,430)**
Depreciation expense – right-of-use assets	**(17,631)**
Profit before net interest and tax	**13,384**
Net interest	**(3,262)**
Non-segment centralised costs	**(6,331)**
Income tax	**–**
Profit from continuing operations	**3,791**

	Segment assets and liabilities		
Year ended 30 June 2022	Segment assets $'000	Segment liabilities $'000	Additions to non-current assets $'000
Lifting Solutions	**189,822**	**77,445**	**33,231**
Non-segment centralised costs	**962**	**3,111**	**–**
Total	**190,784**	**80,556**	**33,231**

Section A: Financial Performance (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

Year ended 30 June 2023	Lifting Solutions $'000
Mining and resources	**109,354**
Wind, energy, and utilities	**35,468**
Infrastructure and construction	**35,167**
Industrial maintenance, telecommunications and other	**25,883**
Total revenue from contracts with customers	**205,872**
Timing of revenue recognition	
Services transferred over time	**205,872**
Year ended 30 June 2022	
Mining and resources	116,279
Wind, energy, and utilities	42,904
Infrastructure and construction	31,136
Industrial maintenance, telecommunications and other	25,525
Total revenue from contracts with customers	215,844
Timing of revenue recognition	
Services transferred over time	215,844

(b) Contract balances

	Note	2023 $'000	2022 $'000
Trade and other receivables		**42,041**	39,490
Allowance for impairment		**(362)**	(1,040)
Contract assets	(i)	**5,979**	3,019
Total trade receivables, contract assets and other receivables		**47,658**	41,469

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

Recognition and measurement

Revenue from the hire of lifting equipment, labour and other services provided to the industry segments disclosed above is recognised when the performance obligation is satisfied. Performance obligation is satisfied over a period of time as 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

	2023 $'000	2022 $'000
(a) Other income		
Profit on disposal of plant and equipment	**-**	235
(Loss)/profit on disposal of plant and equipment – right-of-use assets	**-**	(24)
Interest income	**63**	8
Interest income – lease receivables	**-**	9
Total other income	**63**	228
(b) Expenses		
External equipment hire	**11,108**	16,867
External labour hire	**9,560**	17,722
Maintenance	**11,219**	11,706
Fuel	**4,010**	3,234
External transport	**4,554**	5,982
Employee travel and housing	**1,880**	1,942
Other reimbursable costs (on-charged to customers)	**1,578**	1,169
Other equipment services and supplies	**5,530**	4,870
Total equipment services and supplies expense	**49,439**	63,492
Employee related	**2,530**	2,772
Insurance and compliance	**4,603**	4,646
IT and communications	**2,755**	2,864
Occupancy	**1,436**	1,211
Other overheads	**1,319**	2,752
Loss on disposal of plant and equipment	**537**	–
Total other expense	**13,180**	14,245

Section A: Financial Performance (continued)

4. Income Tax

	Note	2023 $'000	2022 $'000
(a) Income tax expense			
A reconciliation between tax expense and accounting (loss)/profit before income tax is as follows:			
Accounting (loss)/profit before tax from continuing operations		**(5,161)**	3,791
At the Group's statutory income tax rate of 30% (2022: 30%)		**(1,548)**	1,137
Expenditure not allowable for income tax purposes		**36**	71
Current year losses for which no deferred tax asset is recognised		**1,512**	–
Previously unrecognised tax credits now recouped to reduce current tax expense		**–**	(2,309)
Derecognition of tax losses recognised in previous years		**–**	1,101
Income tax		**–**	–

	Opening Balance $'000	Recognised in Income Statement $'000	Recognised in Equity $'000	Closing Balance $'000
(b) Deferred income tax				
Year ended 30 June 2023				
– Employee leave provisions	**3,089**	**(210)**	**–**	**2,879**
– Allowance for impairment on financial assets	**312**	**(203)**	**–**	**109**
– Liability accruals	**1,167**	**129**	**–**	**1,296**
– Restructuring provisions	**–**	**154**	**–**	**154**
– Tax losses	**2,799**	**(219)**	**–**	**2,580**
– Plant and equipment	**(7,370)**	**349**	**–**	**(7,021)**
Net deferred tax asset/(liabilities)	**(3)**	**–**	**–**	**(3)**
Year ended 30 June 2022				
– Employee leave provisions	2,886	203	–	3,089
– Allowance for impairment on financial assets	285	27	–	312
– Liability accruals	1,006	161	–	1,167
– Restructuring provisions	17	(17)	–	–
– Tax losses	3,900	(1,101)	–	2,799
– Plant and equipment	(8,097)	727	–	(7,370)
– Derivative financial instruments	14	–	(14)	–
Net deferred tax asset/(liabilities)	11	–	(14)	(3)

(c) Tax losses

The Group has total tax losses of $32.458 million tax effected (2022: $31.165 million). $2.580 million of these losses have been recognised on balance sheet and $29.878 million has not been recognised as a deferred tax asset based on an assessment of the probability that sufficient taxable profit will be available to allow the tax losses to be utilised in the near future. The unused tax losses remain available indefinitely and are in addition to the franking deficit tax credits of

$1.281 million that can also be used to offset future tax payable.

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 reporting date.

Deferred tax is provided on all temporary differences at the reporting 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 reporting 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 reporting 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 tax is recognised as an expense or income in the consolidated income statement unless it relates to other items recognised directly in other comprehensive income in which case the tax is also recognised directly in other comprehensive income.

Tax consolidation legislation

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

Key estimate and judgement

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

5. Earnings Per Share

Basic loss per share of 1.2 cents (2022: earnings of 0.89 cents) amount is 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 loss per share of 1.2 cents (2022: earnings of 0.88 cents) amount is 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	2023 $'000	2022 $'000
Net (loss)/profit after tax		**(5,161)**	3,791
		No. of shares	
Weighted average number of ordinary shares used in calculating basic earnings per share		**427,774,207**	427,774,207
Effect of dilutive securities:			
– employee share awards	(i)	**-**	2,220,457
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		**427,774,207**	429,994,664
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.

Section A: Financial Performance (continued)

6. Dividends

There were no dividends paid or proposed during the year (2022: unfranked dividends totalling $6.417 million).

Section B: Operating Assets and Liabilities

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

7. Property, Plant and Equipment

	Rental Equipment $'000	Motor Vehicles $'000	Machinery, Furniture, Fittings & Equipment $'000	Freehold Land & Buildings $'000	Total $'000
Year ended 30 June 2023					
Opening carrying amount	**104,813**	**1,422**	**134**	**1,324**	**107,693**
Additions	**6,876**	**346**	**25**	**–**	**7,247**
Disposals	**(7,749)**	**(39)**	**–**	**–**	**(7,788)**
Transfers from right-of-use assets	**1,856**	**(107)**	**58**	**1**	**1,808**
Transfers to assets classified as held for sale	**(12,405)**	**–**	**–**	**–**	**(12,405)**
Depreciation charge for the year	**(13,240)**	**(540)**	**(122)**	**(107)**	**(14,009)**
Closing carrying amount	**80,151**	**1,082**	**95**	**1,218**	**82,546**
At cost	**217,648**	**17,301**	**6,085**	**3,120**	**244,154**
Accumulated depreciation	**(137,497)**	**(16,219)**	**(5,990)**	**(1,902)**	**(161,608)**
Closing carrying amount	**80,151**	**1,082**	**95**	**1,218**	**82,546**
Year ended 30 June 2022					
Opening carrying amount	118,863	1,926	422	1,443	122,654
Additions	3,636	186	10	–	3,832
Disposals	(2,175)	(15)	(6)	–	(2,196)
Transfers to right-of-use assets or between classes	9	(15)	6	–	–
Depreciation charge for the year	(15,520)	(660)	(298)	(119)	(16,597)
Closing carrying amount	104,813	1,422	134	1,324	107,693
At cost	284,469	18,590	6,148	3,120	312,327
Accumulated depreciation	(179,656)	(17,168)	(6,014)	(1,796)	(204,634)
Closing carrying amount	104,813	1,422	134	1,324	107,693

Property, plant and equipment with a carrying amount of $80.738 million (2022: $107.693 million) is pledged as securities for current and non-current interest bearing loans and borrowings as disclosed in note 9.

(a) Assets classified as held for sale

Assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of execution.

Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. No depreciation is recognised whilst an asset is held for sale. Interest and other expenses attributable to the assets held for sale continue to be recognised.

The balance in the Group's assets classified as held for sale account at 30 June 2023 is $8.706 ($12.405 million before impairment) (2022: $nil). Assets classified as held for sale consists of underutilised cranes, travel towers and access equipment that are no longer required and are targeted for sale. Assets transferred to held for sale were subject to an impairment of $3.699 million which is reflective of the expected auction value.

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.

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 being the difference between the disposal proceeds less the carrying value of the assets, 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 20 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 cannot be achieved.

8. Impairment Testing of Non-Financial 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 assets were tested at 30 June 2023 by reference to management's assessment of their value in use. 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 30 June 2023. The Group did not make any allowance for costs to sell as they were deemed immaterial given the Group's experience 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".

Section B: Operating Assets and Liabilities (continued)

8. Impairment Testing of Non-Financial Assets (continued)

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 2023.

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.

9. Interest-Bearing Loans and Borrowings

	Note	2023 $'000	2022 $'000
Current			
Loans	(i)	**11,834**	17,493
Prepaid borrowing costs		**-**	(118)
Total current interest-bearing loans and borrowings		**11,834**	17,375
Non current			
Loans	(i)	**-**	-
Total non-current interest-bearing loans and borrowings		**-**	-
Total interest-bearing loans and borrowings		**11,834**	17,375

(i) Loans include an amortising loan of $0.158 million which expires in February 2024.

Current loans also include 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 $11.676 million outstanding under the facility at year end has been disclosed as a current liability. As at reporting date, the refinancing of this facility is in progress.

(a) Covenant position

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

(b) Assets pledged as security

Fixed and floating charges are held over all of the Group's assets, including cash at bank, trade receivables, contract assets and other receivables, and property, plant and equipment.

(c) Terms and debt repayment schedule

	Currency	Weighted average interest rate	Year of maturity	2023 $'000 Carrying amount	2022 $'000 Carrying amount
Trade receivables loan	AUD	8.67%	December 2023	**11,676**	17,132
Finance arrangement	AUD	6.34%	February 2024	**158**	361
Prepaid borrowing costs				**-**	(118)
Total interest-bearing liabilities				**11,834**	17,375

(d) Financing expense

	2023 $'000	2022 $'000
Interest expense	**1,345**	1,278
Borrowing costs – amortisation (non-cash)	**118**	240
Borrowing costs – other	**384**	404
Total financing expense	**1,847**	1,922

(e) Financing facilities available

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

	2023 $'000	2022 $'000
Total facilities:		
– bank loans and borrowings	**138,400**	113,000
	138,400	113,000
Facilities drawn at reporting date:		
– bank loans and borrowings	**57,662**	35,116
	57,662	35,116
Facilities undrawn at reporting date:		
– bank loans and borrowings	**80,738**	67,221
	80,738	67,221

At 30 June 2023, total facilities consist of $56 million receivables finance facility (2022: $56 million), $22 million chattel mortgage facility (2022: $22 million), and $60.4 million asset finance facility (2022: $35 million).

Of the $56 million receivables finance facility, $11.7 million was drawn with a further $3.5 million utilised by bank guarantees. $40.8 million of the undrawn facility was available subject to the availability of eligible debtors.

The $22 million chattel mortgage facility was drawn to $7.3 million with $14.7 million undrawn at reporting date.

Of the $60.4 million asset finance facility, $35.2 million was drawn including $25.2 million of finance leases. A further $10.0 million was utilised by operating leases. $25.2 million was undrawn at reporting date.

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 which is way of allocating interest expense evenly and consistently over the life of loans and borrowings.

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 the reporting date as the impact of any market discounting is not significant.

10. Financial Risk Management

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

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

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

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

Section C: Funding Structures (continued)

10. Financial Risk Management (continued)

(a) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade receivables, contract assets and other receivables, and derivative instruments. The Group's exposure to credit risk arises from potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at reporting 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 the 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 Receivales* $'000	Contract Assets* $'000	Total $'000	Loss Allowance $'000
Year ended 30 June 2023					
0 – 30 days	**0.20%**	**19,767**	**5,979**	**25,746**	**48**
31 – 60 days	**0.25%**	**15,183**	**–**	**15,183**	**34**
61 – 90 days	**0.75%**	**4,650**	**–**	**4,650**	**32**
91 – 120 days	**7.50%**	**1,740**	**–**	**1,740**	**119**
+120 days	**20.00%**	**700**	**–**	**700**	**127**
		42,040	**5,979**	**48,019**	**360**
Year ended 30 June 2022					
0 – 30 days	0.20%	20,325	3,019	23,344	43
31 – 60 days	0.25%	7,029	–	7,029	16
61 – 90 days	0.75%	7,299	–	7,299	50
91 – 120 days	7.50%	2,024	–	2,024	138
+120 days	20.00%	2,143	–	2,143	390
		38,820	3,019	41,839	637

* Trade receivables and contact assets are net of specific transactions totalling $0.002 million (2022: $0.285 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	2023 $'000	2022 $'000
Balance at 1 July		**1,040**	949
Impairment loss recognised		**47**	101
Amounts written-off and/or written back		**(725)**	(10)
Balance at 30 June	(i)	**362**	1,040

(i) The allowance for impairment of $0.362 million comprises a specific provision of $0.002 million (2022: $0.285 million), $0.360 million calculated from the provision matrix (2022: $0.637 million), and an additional allowance of $nil in excess (2022: $0.118 million in excess) of the allowance calculated using the provision matrix above.

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.

(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 3-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 2023, the Group's balance sheet gearing ratio was 41% (interest bearing loans and borrowing plus finance lease liabilities less cash/total equity) (2022: 29%). Allowing for the additional operating lease liabilities recognised in accordance with AASB 16, the Group's balance sheet gearing ratio was 58% (2022: 41%).

Section C: Funding Structures (continued)

10. Financial Risk Management (continued)

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 2023						
Trade and other payables	**19,138**	**(19,138)**	**(19,138)**	**–**	**–**	**–**
Other loans	**11,834**	**(12,262)**	**(12,219)**	**(43)**	**–**	**–**
Lease liabilities	**51,779**	**(56,983)**	**(14,272)**	**(11,518)**	**(14,678)**	**(16,515)**
	82,751	**(88,383)**	**(45,629)**	**(11,561)**	**(14,678)**	**(16,515)**
Year ended 30 June 2022						
Trade and other payables	14,912	(14,912)	(14,912)	–	–	–
Income tax payable	185	(185)	(185)	–	–	–
Other loans	17,493	(18,870)	(9,393)	(9,030)	(447)	–
Lease liabilities	30,032	(31,718)	(6,487)	(6,487)	(11,917)	(6,827)
	62,622	(65,685)	(30,977)	(15,517)	(12,364)	(6,827)

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:

	Note	Carrying amount 2023 $'000	2022 $'000
Fixed rate instruments			
Financial liabilities		**(34,151)**	(17,984)
		(34,151)	(17,984)
Variable rate instruments			
Financial assets – cash at bank and on hand		**2,445**	2,414
Financial liabilities	9(c)	**(11,676)**	(17,132)
		(9,231)	(14,718)

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 the reporting date, expressed in Australian dollars, was $0.528 million (2022: $0.440 million).

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.

11. Contributed Equity

	2023		2022	
	No. of shares	**$'000**	**No. of shares**	**$'000**
(a) Issued and paid up capital				
Beginning and 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 10(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.

12. Leases

Group as a lessee

The Group has commercial leases on certain plant and equipment, motor vehicles and property. Plant and equipment leases generally have 1 to 5-year lease terms, while motor vehicles and other property leases generally have 1 to 4-year lease terms. 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:

	2023 $'000	2022 $'000
Statement of Comprehensive Income		
Depreciation expense of right-of-use assets	**(19,678)**	(17,876)
Interest expense on lease liabilities	**(3,080)**	(1,370)
Interest income on sublease of right-of-use assets	**–**	9
Gains or (losses) on termination of leases	**(6)**	(24)
Rent expense – short-term leases and leases of low-value assets	**(979)**	(187)
Total amounts recognised in profit or loss	**(23,743)**	(19,448)
Statement of Cash Flows		
Net cash flows from operating activities	**26,103**	19,848
Net cash flows from financing activities	**(26,103)**	(19,848)

	Right-of-use Assets						
Statement of Financial Position	**Rental Equipment $'000**	**Motor Vehicles $'000**	**Other Equipment $'000**	**Land & Buildings $'000**	**Total $'000**	**Lease Receiv-ables $'000**	**Lease Liabilities $'000**
Year ended 30 June 2023							
Opening carrying amount	**28,149**	**3,512**	**12**	**4,541**	**36,214**	**–**	**30,032**
Additions	**40,701**	**2,181**	**51**	**5,164**	**48,097**	**–**	**48,382**
Terminations	**(549)**	**–**	**–**	**(348)**	**(897)**	**–**	**(532)**
Depreciation expense	**(13,491)**	**(2,140)**	**(48)**	**(3,999)**	**(19,678)**	**–**	**–**
Transfer to property, plant and equipment	**(1,808)**	**–**	**–**	**–**	**(1,808)**	**–**	**–**
Receipts/payments	**–**	**–**	**–**	**–**	**–**	**–**	**(26,103)**
Closing carrying amount	**53,002**	**3,553**	**15**	**5,358**	**61,928**	**–**	**51,779**
Year ended 30 June 2022							
Opening carrying amount	18,015	4,747	12	2,845	25,619	437	24,216
Additions	22,156	1,236	37	5,970	29,399	440	27,444
Terminations	(711)	(46)	–	(171)	(928)	–	(903)
Depreciation expense	(11,311)	(2,425)	(37)	(4,103)	(17,876)	–	–
Receipts/payments	–	–	–	–	–	(877)	(20,725)
Closing carrying amount	28,149	3,512	12	4,541	36,214	–	30,032

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
- 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.

13. Subsidiaries

		Equity interest	
Name	Country of incorporation	2023 %	2022 %
AKN Pty Ltd	Australia	**100**	100
Boom Logistics Constructions 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.

Section D: Other Disclosures (continued)

14. 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:

- Boom Logistics Constructions 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	
Consolidated Statement of Comprehensive Income	**2023 $'000**	**2022 $'000**
Revenue	**195,778**	204,167
Other income	**63**	228
Salaries and employee benefits expense	**(96,507)**	(87,915)
Equipment service and supplies expense	**(47,507)**	(62,238)
Operating lease expense	**6,451**	(176)
Other expenses	**(20,617)**	(13,903)
Restructuring expense	**(1,611)**	–
Depreciation and amortisation expense	**(13,379)**	(15,971)
Depreciation expense – right-of-use assets	**(19,543)**	(17,733)
Impairment expense	**(3,353)**	–
Financing expense	**(1,847)**	(1,922)
Financing expense – lease liabilities	**(3,071)**	(1,364)
(Loss)/profit before income tax	**(5,143)**	3,173
Income tax benefit	**146**	41
Net/(loss) profit for the year	**(4,997)**	3,214
Retained losses at the beginning of the year	**(210,367)**	(207,164)
Dividends provided for or paid	**–**	(6,417)
Retained losses at the end of the year	**(215,364)**	(210,367)
Net/(loss)/profit for the year	**(4,997)**	3,214
Other comprehensive (loss)/income		
Cash flow hedges recognised in equity	**–**	33
Other comprehensive (loss)/income for the year, net of tax	**–**	33
Total comprehensive (loss)/income for the year	**(4,997)**	3,247

Consolidated Statement of Financial Position	Closed Group 2023 $'000	 2022 $'000
Current assets		
Cash and cash equivalents	**2,429**	2,402
Trade receivables, contract assets and other receivables	**46,241**	39,506
Inventories, prepayments and other current assets	**3,980**	2,970
Assets classified as held for sale	**7,629**	–
Total current assets	**60,279**	44,878
Non-current assets		
Investments	**599**	599
Deferred tax asset	**509**	509
Property, plant and equipment	**79,684**	103,030
Right-of-use assets	**61,326**	36,126
Total non-current assets	**142,118**	140,264
Total assets	**202,397**	185,142
Current liabilities		
Trade and other payables	**18,588**	13,993
Interest-bearing loans and borrowings	**11,834**	17,375
Lease liabilities	**31,790**	14,920
Employee provisions	**8,669**	9,453
Other provisions and liabilities	**5,768**	4,487
Income tax payable	**–**	185
Total current liabilities	**76,649**	60,413

Section D: Other Disclosures (continued)

14. Deed of Cross Guarantee (continued)

	Closed Group 2023 $'000	Closed Group 2022 $'000
Non-current liabilities		
Payables	**3,585**	3,212
Lease liabilities	**19,854**	15,031
Employee provisions	**314**	368
Other provisions and liabilities	**3,432**	3,023
Total non-current liabilities	**27,185**	21,634
Total liabilities	**103,834**	82,047
Net assets	**98,563**	103,095
Equity		
Contributed equity	**310,327**	310,327
Retained losses	**(215,364)**	(210,367)
Reserves	**3,600**	3,135
Total equity	**98,563**	103,095

15. Parent Entity

	2023 $'000	2022 $'000
The individual financial statements for the parent entity show the following aggregate amounts:		
Statement of financial position		
Current assets	**55,412**	42,505
Total assets	**244,478**	229,681
Current liabilities	**75,583**	64,737
Total liabilities	**141,850**	115,746
Equity		
Contributed equity	**310,327**	310,327
Reserves	**3,600**	3,135
Retained losses	**(211,299)**	(199,527)
Total equity	**102,628**	113,935
Net (loss)/profit after tax for the year	**(11,772)**	2,127
Dividends provided for or paid	**-**	(6,417)
Total comprehensive (loss)/income for the year	**(11,772)**	2,160

16. Key Management Personnel

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

	2023 $	2022 $
Short-term employee benefits	**1,607,559**	1,811,113
Post employment benefits	**127,814**	136,269
Other long-term benefits	**62,178**	20,996
Share based payments	**(104,197)**	389,720
Total compensation	**1,693,354**	2,358,098

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

There were no other related-party transactions with key management personnel during the financial year (2022: $709,763 for the provision of mobile cranes, transport and labour services to companies related to Mr. Stephen Grove.)

17. 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
- 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	Average fair value per right	No. of rights
At start of period	$0.1237	3,050,632	$0.1611	2,180,615	$0.1678	32,566,714	–	–
Granted during the period	$0.1566	900,376	$0.1509	2,627,769	–	–	$0.1422	3,588,027
Exercised during the period	$0.1403	(180,236)	$0.1314	(622,251)	–	–	–	–
Lapsed during the period	–	–	–	–	$0.1553	(11,513,371)	$0.1422	(450,070)
Forfeited during the period	–	–	–	–	$0.1757	(14,074,125)	–	–
At end of period	**$0.1308**	**3,770,772**	**$0.1591**	**4,186,133**	**$0.1726**	**6,979,218**	**$0.1422**	**3,137,957**

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 12 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.

Section D: Other Disclosures (continued)

17. Share-based Payments (continued)

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 rights to acquire ordinary shares in the Company, subject to performance hurdles and some or all may vest at the end of the 3-year period if the performance hurdles are met.

Each right is a right to acquire one ordinary share in the Company (or an equivalent cash amount). The exact number of rights to be granted is based on the LTIP opportunity divided by the 5 day volume weighted average price following the AGM. Rights do not carry any dividend or voting rights. Rights will be granted within 12 months of the AGM.

Rights are subject to performance hurdles based on three independent measures comprising safety performance as a gate-opener, absolute earnings per share (EPS) (50% weighting), and net profit after tax (NPAT) (50% weighting), which are measured at the end of the 3-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 long-term incentive plan was changed from options to rights during the year in order to align variable remuneration with share price growth and shareholders' interests, while being simple, transparent and in line with market practice.

(a) Carrying values

	2023 $'000	2022 $'000
Salary Sacrifice Rights Plan	**1,144**	1,003
Short-term Incentive Plan	**1,386**	989
Long-term Incentive Plan	**1,071**	1,143
Total employee equity benefits reserve	**3,601**	3,135

(b) Expenses arising from share-based payment transactions

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

	2023 $'000	2022 $'000
Rights issued under employee rights plans	**538**	229
Options issued under employee option plan	**(72)**	(143)
	466	86

(c) 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:

	2023 Number of shares	2022 Number of shares
At start of period	–	1,717,953
– sold/transferred during the year	–	(1,717,953)
At end of period	–	–

At 30 June 2023, the employee share plans also hold 3,842,711 ordinary shares (2022: 4,645,198) that are unallocated 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.

18. Commitments

	2023 $'000	2022 $'000
(a) Capital commitments		
Capital expenditure contracted for at the reporting date but not recognised in the financial statements are as follows:		
Property, plant and equipment		
– within one year	–	4,158

19. Contingencies

Contingent liabilities

Bank guarantees totalling $3.498 million (2022: $1.343 million) have been provided to landlords, WorkCover authorities, and a wind farm project. There are no other contingent liabilities identified at the reporting date.

Section D: Other Disclosures (continued)

20. Auditor's Remuneration

	2023 $ Grant Thornton	2022 $ KPMG
During the year the following fees were paid or payable for services provided by Grant Thornton:		
Audit and review services		
– audit and review of financial statements	**293,550**	345,690
Assurance services		
– other assurance services	**–**	36,225
Other services		
– taxation services	**–**	17,336
Total other services	**–**	17,336
Total auditor's remuneration	**293,550**	399,251

21. Subsequent Events

The Directors are not aware of any other matter or circumstance that has arisen since 30 June 2023 that has significantly affected or may significantly affect the operations of the Group in subsequent financial years, the results of those operations or the state of affairs of the Group in future financial years.

Dividend

On 24 August 2023, the Directors of Boom Logistics Limited declared that no final dividend would be paid for the financial year ended 30 June 2023.

22. New Accounting Policies and Standards

(a) Changes in accounting policies

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year, 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.

23. Summary of Other Significant Accounting Policies

(a) Cash and cash equivalents

Cash on hand and in banks are stated at nominal value. For the purposes of the cash flow statement, cash includes cash on hand and in banks net of outstanding bank overdrafts.

(b) Trade and other payables

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

(c) Employee provisions

Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits, accumulating sick leave and rostered days off that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. Liabilities for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

Other long-term obligations

The liabilities for long service leave and annual leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in the provision for employee benefits. Consideration is given to expected future wage and salary levels, experience of employee departures, and periods of service.

DIRECTORS' DECLARATION

for the year ended 30 June 2023

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 35 to 62, and the Remuneration Report in the Directors' Report, set out on pages 23 to 32, 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 2023 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 39 note About This Report 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 13 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 2023.

Signed in accordance with a resolution of the Directors.

Melanie Allibon
Chair

Ben Pieyre
Managing Director

Melbourne, 25 August 2023

Grant Thornton

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Independent Auditor's Report

To the Members 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) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, and the Directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

a giving a true and fair view of the Group's financial position as at 30 June 2023 and of its performance for the year ended on that date; and

b complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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. These matters were 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 these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Note 2	
Revenue from contracts with customers amounted to $205.872 million for the year ended 30 June 2023. The Group generates revenue from the provision of lifting solutions and labour services to customers. Revenue is recognised over time when the performance obligation is satisfied in line with AASB 15 *Revenue from Contracts with Customers*. The Group has also recently been granted a significant contract to be delivered over an extended period, requiring significant management judgement at the contract level. This represents a key audit matter given management judgement is required to determine the appropriate recognition of revenue and the material nature of revenue to the Group.	Our procedures included, amongst others: • Documenting revenue processes and reviewing recognition policies for compliance with AASB 15; • Assessing significant revenue contracts entered during the year for appropriateness under AASB 15; • Performing detailed testing on a sample of revenue transactions during the year and assessing whether revenue has been recognised in accordance with AASB 15, including; - Reviewing relevant contracts with customers; - Assessing management's determination of performance obligations within contracts and the allocation of transaction price to those obligations; • Selecting a sample of revenue transactions recorded immediately pre and post year-end to assess whether revenue is recognised in the correct period; and • Assessing the adequacy of financial statement disclosures in relation to revenue.
Valuation of non-financial assets – Note 8	
In accordance with AASB 136 *Impairment of Assets*, the Group is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired. Due to the net assets of the Group exceeding the Group's market capitalisation at year end, an impairment indicator exists and impairment testing is required. The Group has determined the recoverable amount of each cash-generating unit, and obtained an independent expert valuation report to specifically address the fair value of property, plant and equipment. This represents a key audit matter given the high degree of management judgement and estimation required in determining the recoverable amount of the cash-generating units.	Our procedures included, amongst others: • Documenting and assessing the processes and controls in relation to valuation of non-financial assets; • Evaluating management's assessment of impairment indicators at year-end; • Assessing management's determination of cash-generating units based on the nature of the business and how independent cash inflows are generated; • Assessing the work performed by management's expert relating to property, plant and equipment including evaluating competence, capabilities and objectivity of the expert; • Assessing management's impairment assessment for compliance with AASB 136 and evaluating the reasonableness of key assumptions through sensitivity analysis, including discount rate, growth rate and forecast assumptions; • Involving our valuation specialists to assess the reasonableness of management's model; and • Assessing the adequacy of relevant financial statement disclosures.

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Grant Thornton Audit Pty Ltd

Information other than the financial report and auditor's report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

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

In preparing the financial report, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this 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: http://www.auasb.gov.au/auditors_responsibilities/ar1_2020.pdf.This description forms part of our auditor's report.

Report on the remuneration report

Opinion on the remuneration report

We have audited the Remuneration Report included in pages 23 to 32 of the Directors' report for the year ended 30 June 2023.

In our opinion, the Remuneration Report of Boom Logistics Limited, for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001*.

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Grant Thornton Audit Pty Ltd

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

Grant Thornton

Grant Thornton Audit Pty Ltd
Chartered Accountants

A C Pitts
Partner – Audit & Assurance

Melbourne, 25 August 2023

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ASX ADDITIONAL INFORMATION

for the year ended 30 June 2023

Additional information required by the Australian Securities Exchange Ltd and not shown elsewhere in this report is as follows. The information is current as at 15 August 2023.

(a) Distribution of Equity Securities

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

	Ordinary shares	
	Total holders	**Units**
1 – 1,000	249	37,316
1,001 – 5,000	624	2,174,760
5,001 – 10,000	498	3,913,016
10,001 – 100,000	1,076	39,173,581
100,001 and over	365	382,475,534
	2,812	**427,774,207**
The number of shareholders holding less than a marketable parcel of shares are:	624	1,074,936

(b) Substantial Holders

Substantial holders in the Company are set out below:

	Listed ordinary shares	
	Number of shares	**Percentage of ordinary shares**
Grove Investment Group Pty Ltd	59,322,639	13.9%
Collins St Asset Management Pty Ltd	51,557,123	12.1%
Castle Point Funds Management Limited	40,217,191	9.4%

(c) Twenty Largest Shareholders

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

		Listed ordinary shares	
		Units	% Units
1	SANDHURST TRUSTEES LTD <COLLINS ST VALUE FUND A/C>	51,557,123	12.05%
2	NATIONAL NOMINEES LIMITED	39,562,221	9.25%
3	GROVE INVESTMENT GROUP PTY LTD	35,380,342	8.27%
4	GROVE INVESTMENT GROUP PTY LTD	23,942,297	5.60%
5	HORRIE PTY LTD <HORRIE SUPERANNUATION A/C>	12,028,000	2.81%
6	BNP PARIBAS NOMINEES PTY LTD <IB AU NOMS RETAILCLIENT DRP>	8,065,603	1.89%
7	MR CHRISTIAN JAMES HAUSTEAD	5,850,000	1.37%
8	STANBOX NO 2 PTY LTD	5,500,000	1.29%
9	HILLMORTON CUSTODIANS PTY LTD <THE LENNOX UNIT A/C>	5,143,000	1.20%
10	WALLBAY PTY LTD <THE MICHAEL ABELL S/F A/C>	5,083,000	1.19%
11	J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	5,014,459	1.17%
12	LUTON PTY LTD	4,746,327	1.11%
13	ACE PROPERTY HOLDINGS PTY LTD	4,400,000	1.03%
14	MR JIM KOUMIDES + MRS LUCY KOUMIDES <POOR LITTLE PINKUS S/F A/C>	4,376,320	1.02%
15	HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	4,281,052	1.00%
16	SMITHSTOCK PTY LTD <WARIALDA 1 UNIT A/C>	3,980,120	0.93%
17	"MORGAN STANLEY AUSTRALIA SECURITIES (NOMINEE) PTY LIMITED <NO 1 ACCOUNT>"	3,487,478	0.82%
18	TAVERNERS NO 11 PTY LTD <STONEYVILLE INVEST UNIT A/C>	3,464,548	0.81%
19	WALLBAY PTY LTD <ABELL UNIT ACCOUNT>	3,414,000	0.80%
20	IRAL PTY LTD <IRAL A/C>	3,125,806	0.73%
Top twenty shareholders		232,401,696	54.33%
Remainder		195,372,511	45.67%
Total		**427,774,207**	**100.0%**

(d) Voting Rights

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

Options do not carry a right to vote or to dividends.

(e) Unquoted Securities

There are 11,017,867 rights granted under the Executive Remuneration Plan outstanding held by 28 holders.

There are 6,979,218 options granted under the Executive Remuneration Plan outstanding held by 5 holders.

CORPORATE DIRECTORY

for the year ended 30 June 2023

Directors

Melanie Allibon (Chair)
Ben Pieyre
Stephen Grove
Kieran Pryke
Damian Banks
James Scott

Company Secretary

Reuben David

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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 2023 Annual General Meeting at 11.00am on Friday, 24 November 2023. Details will be provided in the Notice of Meeting.

BOOM