ABN 28 095 466 961

Interim Financial Report
for the six months ended 31 December 2018

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

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DIRECTORS' REPORT

Your Directors present their report on the consolidated entity (referred to hereafter as "the Group") consisting of Boom Logistics Limited ("Boom Logistics" or "the Company") and the entities it controlled for the half-year ended 31 December 2018.

Directors

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

Mr Maxwell John Findlay	Chairman (non-executive)
Mr Tony Spassopoulos	Managing Director (executive) (appointed 20 September 2018)
Mr Brenden Clive Mitchell	Managing Director (executive) (retired 20 September 2018)
Mr. Jean-Pierre Johannes Andreas Maria Buijtels	Director (non-independent, non-executive)
Mr Terrence Charles Francis	Director (non-executive)
Mr Terence Alexander Hebiton	Director (non-executive)

Operating and Financial Review

The Group recorded a statutory net profit after tax for the half-year ended 31 December 2018 (H1 FY19) of $0.2 million (H1 FY18: $0.4 million). Statutory earnings before interest expense, tax, depreciation and amortisation (EBITDA) was a profit of $10.4 million (H1 FY18: $11.3 million). Statutory earnings before interest expense and tax (EBIT) was a profit of $2.1 million (H1 FY18: $2.4 million).

The period was significantly impacted by the effects of industrial action in New South Wales. The impact on the results is estimated at circa $3.0 million at EBIT which includes $0.35m of redundancy costs incurred in the period.

The effects of the industrial action notwithstanding, activity in the Group's core markets was solid:

- The Group performed solidly in the Mining & Resources sector. Demand from customers remains robust with key contracts at BMA, BMC, Curragh and Alcoa being renewed in the period. Revenue in the prior comparative period included circa $10 million from a major shutdown completed at Olympic Dam which did not repeat. Further growth in Mining & Resources is expected as Boom continues to build scale and scope around its existing depot infrastructure and explores opportunities for new contracts in the North West;

- Revenue from the wind farm sector was strong in the period and continues to grow. Boom completed a number of projects including maintenance works and supplied additional equipment to other wind farms to accelerate construction programs. This work drove a 67% increase in revenue in this market sector on prior comparative period.

  Boom secured important contracts in the sector with work commencing on the GE Coopers Gap project in November 2018 and work on the Goldwind Cattle Hill project to commence in February 2019.

DIRECTORS' REPORT (continued)

Operating and Financial Review (continued)

- Boom's growing capacity in the infrastructure sector delivered 19% revenue growth on prior comparative period. The Group has a fleet of assets particularly suited to bridge, rail and civil infrastructure works with further opportunities to supply readi labour to major projects. The infrastructure and construction sector is a major growth opportunity for readi to grow new external revenues for the Group.

- Revenue from the telecommunications sector increased 43% as work on the 5G network built momentum over the period and is expected to remain strong for the remainder of FY19 and FY20. The larger Travel Towers are utilised in this sector and performance is improving under the new management structure. A strategic review of the small Travel Towers is underway as utilisation of these assets remains below expectations and some assets will be released for sale.

Capital Management

During the period the Company completed a minimum share holding buy-back of 1.1 million shares at an average price of $0.22 per share. The Company also commenced an on market share buy-back with 10.1 million shares bought back in the period at an average price of $0.17 per share. This share buy-back is on-going and is expected to be completed by 5 December 2019 or earlier if the maximum number of shares of 46 million is bought back prior to that date.

Cash Flow

Cash flow from operating activities was strong at $12.1 million (H1 FY18: $2.5 million). As in prior years operating cash in the first half of the year included a tax refund of $4.5 million.

Capital expenditure in the period increased to $8.7 million (H1 FY18: $2.7 million) which was partially funded by the proceeds from asset sales of $1.3 million (H1 FY18: $1.2 million). Capital expenditure largely comprised of investment in new and used crane assets to service resources contracts and transport assets to support the new rented equipment delivered for major projects. The Group continues to introduce new operating fleet through flexible rental arrangements.

Cash flow from financing activities was a net outflow of $4.1 million (H1 FY18: net outflow of $1.5 million). This reflected a reduction in debt of $2.1 million during the period and also payments made in the course of the Group's share buy-back programs. $0.25 million was expended on a minimum holding buyback that was completed in November 2018 with further payments of $1.75 million made during H1 FY19 in the course of the Group's continuing on-market buy-back.

Balance Sheet

Net assets decreased to $143.5 million (30 June 2018: $145.2 million) which reflects the net profit after tax and the capital management initiatives completed in the period which included the buy-back of 11.2 million shares. Gross debt owed under borrowing facilities was $36.6 million (net of $0.2 million of prepaid borrowing costs) which is down from $38.6 million (net of $0.4 million of prepaid borrowing costs) at 30 June 2018. Gearing (net debt/ equity) reduced in the period to 24% (30 June 2018: 26%).

DIRECTORS' REPORT (continued)

Lead Auditor's Independence Declaration to the Directors

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Rounding

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

Signed in accordance with a resolution of the Directors.

Maxwell Findlay	Tony Spassopoulos
Chairman	**Managing Director**

Melbourne, 21 February 2019

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Boom Logistics Limited

I declare that, to the best of my knowledge and belief, in relation to the review of Boom Logistics Limited for the half-year ended 31 December 2018 there have been:

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

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

KPMG

KPMG

Andrew Hounsell

Andrew Hounsell
Partner
Melbourne
21 February 2019

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

Consolidated Interim Statement of Comprehensive Income
for the half-year ended
31 December 2018

	Note	2018 $'000	2017 $'000
Revenue	2	**92,465**	92,425
Other income	3(a)	**2,986**	154
Salaries and employee benefits expense		**(48,675)**	(47,973)
Equipment service and supplies expense	3(b)	**(22,792)**	(24,046)
Operating lease expense		**(5,288)**	(3,200)
Other expenses	3(b)	**(6,959)**	(6,084)
Restructuring expense		**(354)**	-
Depreciation and amortisation expense		**(8,334)**	(8,874)
Impairment expense		**(975)**	-
Profit before financing expense and income tax		**2,074**	2,402
Financing expense	9	**(1,906)**	(2,054)
Profit before income tax		**168**	348
Income tax benefit	4	**-**	10
Net profit attributable to members of Boom Logistics Limited		**168**	358
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges recognised in equity, net of tax		**74**	-
Other comprehensive income for the year, net of tax		**74**	-
Total comprehensive income for the year attributable to members of Boom Logistics Limited		**242**	358
Basic earnings per share (cents per share)	5	**0.04**	0.08
Diluted earnings per share (cents per share)	5	**0.03**	0.07

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

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

Consolidated Interim Statement of Financial Position
as at
31 December 2018

	Note	31 December 2018 $'000	30 June 2018 $'000
CURRENT ASSETS			
Cash and cash equivalents		**2,282**	1,670
Trade and other receivables		**34,524**	37,067
Inventories, prepayments and other current assets		**5,120**	1,882
Assets classified as held for sale	7	**423**	815
Income tax receivable		**-**	4,450
TOTAL CURRENT ASSETS		**42,349**	45,884
NON-CURRENT ASSETS			
Property, plant and equipment	7	**166,311**	167,488
Derivative financial instruments		**20**	-
Deferred tax asset		**-**	7
TOTAL NON-CURRENT ASSETS		**166,331**	167,495
TOTAL ASSETS		**208,680**	213,379
CURRENT LIABILITIES			
Trade and other payables		**13,961**	14,594
Interest bearing loans and borrowings	9	**21,533**	3,131
Employee provisions		**8,558**	9,178
Other provisions and liabilities		**5,285**	4,844
TOTAL CURRENT LIABILITIES		**49,337**	31,747
NON-CURRENT LIABILITIES			
Interest bearing loans and borrowings	9	**15,094**	35,443
Employee provisions		**276**	257
Other provisions and liabilities		**481**	657
Derivative financial instruments		**-**	85
Deferred tax liabilities		**15**	-
TOTAL NON-CURRENT LIABILITIES		**15,866**	36,442
TOTAL LIABILITIES		**65,203**	68,189
NET ASSETS		**143,477**	145,190
EQUITY			
Contributed equity	10	**316,122**	318,065
Retained losses		**(175,103)**	(174,871)
Reserves		**2,458**	1,996
TOTAL EQUITY		**143,477**	145,190

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

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

Consolidated Interim Statement of Cash Flows for the half-year ended 31 December 2018

	Note	2018 $'000	2017 $'000
Cash flows from operating activities			
Receipts from customers		**105,794**	90,343
Payments to suppliers and employees		**(96,386)**	(90,490)
Interest paid		**(1,741)**	(1,767)
Interest received		**6**	3
Income tax received		**4,450**	4,449
Net cash provided by operating activities		**12,123**	2,538
Cash flows from investing activities			
Purchase of property, plant and equipment		**(8,721)**	(2,689)
Proceeds from the sale of plant and equipment		**1,273**	1,219
Net cash used in investing activities		**(7,448)**	(1,470)
Cash flows from financing activities			
Payments for shares bought back		**(1,922)**	-
Proceeds from borrowings		**9,240**	4,979
Repayment of borrowings		**(11,337)**	(6,443)
Payment of transaction costs related to share buy-back and borrowings		**(44)**	-
Net cash used in financing activities		**(4,063)**	(1,464)
Net increase / (decrease) in cash and cash equivalents		**612**	(396)
Cash and cash equivalents at the beginning of the period		**1,670**	2,158
Cash and cash equivalents at the end of the period		**2,282**	1,762

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

Boom Logistics Limited
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Consolidated Interim Statement of Changes in Equity
for the half-year ended
31 December 2018

	Note	Issued Capital $'000	Retained Earnings $'000	Cash Flow Hedge Reserve $'000	Employee Equity Benefits Reserve $'000	Total Equity $'000
At 1 July 2017		318,065	(173,324)	-	1,123	145,864
Profit for the half-year		-	358	-	-	358
Other comprehensive income		-	-	-	-	-
Total comprehensive profit		-	358	-	-	358
Transactions with owners in their capacity as owners:						
Cost of share based payments		-	-	-	486	486
At 31 December 2017		318,065	(172,966)	-	1,609	146,708
At 1 July 2018 as originally presented		**318,065**	**(174,871)**	**(60)**	**2,056**	**145,190**
Change in accounting policy	14	**-**	**(400)**	**-**	**-**	**(400)**
Restated total equity at the beginning of the period		**318,065**	**(175,271)**	**(60)**	**2,056**	**144,790**
Profit for the half-year		**-**	**168**	**-**	**-**	**168**
Other comprehensive income		**-**	**-**	**74**	**-**	**74**
Total comprehensive profit		**-**	**168**	**74**	**-**	**242**
Transactions with owners in their capacity as owners:						
Cost of share based payments		**-**	**-**	**-**	**388**	**388**
Share buy-back net of transaction costs and tax		**(1,943)**	**-**	**-**	**-**	**(1,943)**
At 31 December 2018		**316,122**	**(175,103)**	**14**	**2,444**	**143,477**

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

About This Report

The financial report of Boom Logistics Limited and its subsidiaries ("the Group") for the half-year ended 31 December 2018 was authorised for issue in accordance with a resolution of the Board of Directors on 21 February 2019.

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

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

This general purpose condensed financial report for the half-year ended 31 December 2018 has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the last annual financial report as at and for the year ended 30 June 2018.

The half-year financial report does not include all notes of the type normally included within the annual financial report and therefore cannot be expected to provide as full an understanding of the financial performance, financial position and financing and investing activities of the Group as the full financial report. It is recommended that the half-year financial report be read in conjunction with the annual report for the year ended 30 June 2018 and considered together with any public announcements made by Boom Logistics Limited during the half-year ended 31 December 2018 in accordance with the continuous disclosure obligations of the ASX listing rules.

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

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

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

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

Section A: Financial Performance

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

1. Segment Reporting

Description of operating segments

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

The business is considered from a product perspective and has two reportable segments:

- "Lifting Solutions", which consists of all lifting activities including the provision of cranes, travel towers, access equipment and all associated services; and
- “Labour Hire”, which includes the provision of skilled labour with a wide range of trades, such as, electricians, boiler makers, mechanics, plus the traditional crane and travel tower operators, riggers, truck drivers.

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

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

Boom Logistics Limited is domiciled in Australia and all core revenue is derived from external customers within Australia. Majority of the revenue is derived from the resources sector.

Section A: Financial Performance (continued)

1. Segment Reporting (continued)

Segment information

	Lifting Solutions $'000	Labour Services $'000	Other * $'000	Elimination $'000	Consolidated $'000
Half-year ended: 31 December 2018					
Segment revenue					
External customers	**91,041**	**1,424**	**-**	**-**	**92,465**
Inter-segment	**-**	**10,951**	**-**	**(10,951)**	**-**
Total segment revenue	**91,041**	**12,375**	**-**	**(10,951)**	**92,465**
Other income					**2,986**
Total revenue and other income					**95,451**
Segment result					
Operating result	**14,866**	**544**	**(3,395)**	**-**	**12,015**
Net profit on disposal of property, plant and equipment	**391**	**-**	**-**	**-**	**391**
Depreciation and amortisation	**(8,045)**	**(4)**	**(285)**	**-**	**(8,334)**
Restructuring expense	**(354)**	**-**	**-**	**-**	**(354)**
Employee benefit expense - retirement provision	**-**	**-**	**(675)**	**-**	**(675)**
Impairment of property, plant and equipment	**(975)**	**-**	**-**	**-**	**(975)**
Profit before net interest and tax	**5,883**	**540**	**(4,355)**	**-**	**2,068**
Net interest					**(1,900)**
Income tax benefit					**-**
Profit from continuing operations					**168**
Segment assets and liabilities					
Segment assets	**204,162**	**2,867**	**4,090**	**(2,439)**	**208,680**
Segment liabilities	**58,582**	**583**	**6,038**	**-**	**65,203**
Additions to non-current assets	**8,493**	**-**	**117**	**-**	**8,610**

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

Section A: Financial Performance (continued)

1. Segment Reporting (continued)

Segment information (continued)

	Lifting Solutions $'000	Labour Services $'000	Other * $'000	Elimination $'000	Consolidated $'000
Half-year ended: 31 December 2017					
Segment revenue					
External customers	90,297	2,128	-	-	92,425
Inter-segment	-	10,690	-	(10,690)	-
Total segment revenue	90,297	12,818	-	(10,690)	92,425
Other income					154
Total revenue and other income					92,579
Segment result					
Operating result	13,721	956	(3,555)	-	11,122
Net profit on disposal of property, plant and equipment	151	-	-	-	151
Depreciation and amortisation	(8,684)	(4)	(186)	-	(8,874)
Profit before net interest and tax	5,188	952	(3,741)	-	2,399
Net interest					(2,051)
Income tax benefit					10
Profit from continuing operations					358
Year ended: 30 June 2018					
Segment assets and liabilities					
Segment assets	205,699	2,849	7,576	(2,745)	213,379
Segment liabilities	62,448	866	4,875	-	68,189
Additions to non-current assets	5,380	-	1,140	-	6,520

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

Section A: Financial Performance (continued)

1. Segment Reporting (continued)

Key estimate and judgement

Determining the stage of completion requires an estimate of expenses incurred to date as a percentage of total estimated costs. 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.

2. Revenue from Contracts with Customers

Disaggregation of revenue from contracts with customers
The Group derives revenue from the transfer of services over time in the following industry segment:

	Lifting Solutions $'000	Labour Services $'000	Consolidated $'000
Half-year ended: 31 December 2018			
Industry segment			
Mining & resources	**43,766**	**19**	**43,785**
Wind, energy, & utilities	**17,035**	**-**	**17,035**
Infrastructure & construction	**12,305**	**647**	**12,952**
Industrial maintenance	**11,412**	**746**	**12,158**
Telecommunications	**6,003**	**-**	**6,003**
Other	**520**	**12**	**532**
Total revenue from contracts with customers	**91,041**	**1,424**	**92,465**

Section A: Financial Performance (continued)

	2018 $'000	2017 $'000
3. Other Income And Expenses		
(a) Other income		
Profit on disposal of plant and equipment	**391**	151
Insurance settlement	**2,589**	-
Interest income	**6**	3
Total other income	**2,986**	154
(b) Expenses		
External equipment hire	**5,725**	4,843
External labour hire	**1,790**	5,032
Maintenance	**5,476**	5,314
Fuel	**1,869**	1,470
External transport	**4,485**	3,480
Employee travel and housing	**911**	512
Other reimbursable costs (on-charged to customers)	**379**	1,269
Other equipment services and supplies	**2,157**	2,126
Total equipment services and supplies expense	**22,792**	24,046
Employee related	**1,854**	1,992
Insurance and compliance	**1,874**	1,314
IT and communications	**1,329**	1,182
Occupancy	**670**	719
Other overheads	**1,232**	877
Total other expense	**6,959**	6,084

Section A: Financial Performance (continued)

4. Income Tax

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

	2018 $'000	2017 $'000
Accounting profit before tax from continuing operations	**168**	348
At the Group's statutory income tax rate of 30% (2017: 30%)	**50**	104
Expenditure not allowable for income tax purposes	**10**	21
Adjustments in respect of current income tax of previous years	**-**	(10)
Previously unrecognised tax losses now recouped to reduce current tax expense	**(60)**	(125)
Income tax (benefit)	**-**	(10)

As at 31 December 2018, the Group has total tax losses of $28.755 million tax effected (30 June 2018: $28.968 million). $7.250 million of these losses have been recognised on balance sheet and $21.505 million has not been recognised as a deferred tax asset based on an assessment of the probability that sufficient taxable profit will be available to allow the tax losses to be utilised in the near future. The unused tax losses remain available indefinitely.

Key estimate and judgement

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

Section A: Financial Performance (continued)

5. Earnings Per Share

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

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

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

	Note	2018 $'000
Net profit after tax		**168**
		No. of shares
Weighted average number of ordinary shares used in calculating basic earnings per share		**473,729,979**
Effect of dilutive securities:		
- employee share awards	(i)	**8,100,007**
Adjusted weighted average number of ordinary shares used in calculating diluted earnings per share		**481,829,987**
Number of ordinary shares at half-year end		**463,711,805**

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

6. Dividends

There were no dividends paid or proposed during the half-year ended 31 December 2018.

Section B: Operating Assets and Liabilities

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

7. Assets Classified as Held For Sale & Property, Plant and Equipment

	Rental Equipment $'000	Motor Vehicles $'000	Machinery, Furniture, Fittings & Equipment $'000	Freehold Land & Buildings $'000	Subtotal $'000	Assets Classified as Held For Sale $'000	Total $'000
Half-year ended 31 December 2018							
Carrying amount at beginning net of accumulated depreciation and impairment	159,559	3,896	1,228	2,805	**167,488**	815	**168,303**
Additions	7,000	1,457	153	-	**8,610**	-	**8,610**
Disposals	(177)	(68)	(1)	-	**(246)**	(624)	**(870)**
Transfers	307	(634)	95	-	**(232)**	232	**-**
Impairment	(975)	-	-	-	**(975)**	-	**(975)**
Depreciation charge for the year	(7,509)	(482)	(281)	(62)	**(8,334)**	-	**(8,334)**
Carrying amount at end net of accumulated depreciation and impairment	**158,205**	**4,169**	**1,194**	**2,743**	**166,311**	**423**	**166,734**
Closing balance at 31 December 2018							
At cost	355,808	20,132	5,575	3,120	**384,635**	1,184	**385,819**
Accumulated depreciation	(197,603)	(15,963)	(4,381)	(377)	**(218,324)**	(761)	**(219,085)**
Net carrying amount	**158,205**	**4,169**	**1,194**	**2,743**	**166,311**	**423**	**166,734**

Section B: Operating Assets and Liabilities (continued)

7. Assets Classified as held For Sale & Property, Plant and Equipment (continued)

Key estimate and judgement

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

Residual values are determined based on the value the Group would derive upon ultimate disposal of the individual piece of property, plant and equipment at the end of its useful life. The achievement of these residual values is dependent upon the second hand equipment market at any given point in the economic cycle.

Management will increase the depreciation charge where useful lives are less than previously estimated lives or there is indication that residual values can not be achieved.

Assets classified as held for sale
Assets classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value was determined based on an independent valuation dated 29 November 2018.

8. Impairment Testing of Assets

Key estimate and judgement

The carrying values of the CGU's fixed assets were tested at 31 December 2018 by reference to management's assessment of their fair value less costs of disposal. Fair value was determined after considering information from a variety of sources including a valuation obtained from an independent valuer dated 29 November 2018. The Group did not make any allowance for costs to sell as they were deemed immaterial given the Group's in house expertise and track record of successful asset sales. The Group has classified the assessment as Level 2 in the fair value hierarchy (as per AASB 13) where "inputs other than quoted prices in active markets that are observable for the asset either directly or indirectly".

The independent valuation supported the carrying value of the CGU's fixed assets as stated in the consolidated interim statement of financial position. The evaluation is consistent with the Group's assessment of the economic environment, lengthening lead times for new equipment and second hand asset values. Consequently, no impairment adjustment to the carrying value of fixed assets was considered necessary at 31 December 2018. An impairment charge of $0.975 million was recognised in the period which related to damage incurred to one particular asset. The asset will be repaired and placed back into service.

Section C: Funding Structures

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

	31 December 2018 $'000	30 June 2018 $'000
9. Net Debt		
Current		
Other loans	**13,533**	3,131
Secured bank loans	**8,000**	-
Total current interest bearing liabilities	**21,533**	3,131
Non current		
Other loans	**15,332**	30,831
Secured bank loans	**-**	5,000
Prepaid borrowing costs	**(238)**	(388)
Total non-current interest bearing liabilities	**15,094**	35,443
Total interest bearing liabilities	**36,627**	38,574
Less: cash and cash equivalents	**(2,282)**	(1,670)
Net debt	**34,345**	36,904

Terms and debt repayment schedule

	Currency	**Weighted average interest rate**	**Year of maturity**		
Syndicated debt	AUD	5.01%	July 2019	**8,000**	5,000
Trade receivables loan	AUD	6.34%	August 2019	**10,299**	13,856
Finance lease	AUD	5.28%	August 2020	**307**	393
Finance arrangement	AUD	6.55%	August 2021	**18,259**	19,713
Prepaid borrowing costs				**(238)**	(388)
Total interest bearing liabilities				**36,627**	38,574

Section C: Funding Structures (continued)

9. Net Debt (continued)

Covenant position
The Group was in compliance with all financial and non-financial banking covenants as at 31 December 2018.

Debt facility refinancing
At reporting date, the following debt facilities will expire within 12 months resulting in their balances being disclosed as current liabilities. The debt facilities were refinanced subsequent to the half-year ended 31 December 2018 and was effective on 29 January 2019 (refer to note 13).

- A $11.25 million syndicated loan facility with a termination date of 1 July 2019. The facility attracts a floating interest rate.
- A $20 million trade receivables loan facility with a termination date of 1 August 2019. The facility incurs a fixed fee and floating interest on funds drawn. There is no amortisation required over the life of this facility.

The Group also has an amortising asset finance facility with De Lage Landen Pty Limited with a termination date of 1 August 2021.

	2018 **$'000**	2017 $'000
Financing expense		
Interest expense	**1,349**	1,483
Borrowing costs - amortisation (non-cash)	**165**	165
Borrowing costs - other	**392**	406
Total financing expense	**1,906**	2,054

Section C: Funding Structures (continued)

	Note	31 December 2018 $'000	30 June 2018 $'000
10. Contributed Equity			
Issued and fully paid ordinary shares		**316,122**	318,065

		31 December 2018	
		No. of shares	**$'000**
Movements in ordinary shares on issue			
Opening balance at 1 July 2018		474,868,764	318,065
Shares bought back on-market and cancelled	(i)	(11,156,959)	(1,922)
Buy-back transaction costs		-	(30)
Tax credits recognised directly in equity		-	9
Closing balance at 31 December 2018		**463,711,805**	**316,122**

(i) During the period, Boom purchased and cancelled 11,156,959 ordinary shares as a result of the following share buy-back schemes. The total cost, including transaction costs, was $1,943,000. These costs were deducted from contributed equity.

- Minimum share holding buy-back of 1,094,557 ordinary shares priced at $0.22 per share. This share buy-back scheme has been completed.

- On market share buy-back of 10,062,402 ordinary shares priced between $0.16 and $0.17 per share. This share buy-back scheme is currently on going and is expected to be completed by 5 December 2019 or earlier if the maximum number of shares being 46 million shares is bought back prior to that date.

Section D: Other Disclosures

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

11. Share-based Payments

The terms and conditions of the executive remuneration plans remain the same as at 30 June 2018. Movements in the executive remuneration plans during the period are as follow:

	Salary Sacrifice Rights Plan		Short Term Incentive Plan		Long Term Incentive Plan	
	Average fair value per right	**No. of rights**	**Average fair value per right**	**No. of rights**	**Average exercise price per option**	**No. of options**
At start of period	$0.1326	2,464,267	$0.1008	1,313,227	$0.1483	28,636,852
Granted during the period	$0.2069	726,248	$0.2192	2,397,878	$0.1643	10,728,789
Exercised during the period	$0.1446	(1,651,153)	$0.1839	(352,439)	-	-
At end of period	**$0.1548**	**1,539,362**	**$0.1766**	**3,358,666**	**$0.1526**	**39,365,641**

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

	31 December 2018
Grant date	28 November 2018
Vesting date	31 August 2021
Expiry date	30 September 2021
Share price at grant date	$0.165
Fair value at grant date	$0.062
Exercise price	$0.164262
Expected life	2.8 years
Expected price volatility of Boom's shares	55%
Risk-free interest rate	2.07%
Expected dividend yield	0%

	31 December 2018 $'000	30 June 2018 $'000
Carrying values		
Salary Sacrifice Rights Plan	**524**	425
Short Term Incentive Plan	**721**	196
Long Term Incentive Plan	**1,199**	1,435
Total employee equity benefits reserve	**2,444**	2,056

Section D: Other Disclosures (continued)

12. Contingencies

Contingent assets
Sherrin Hire Pty Ltd, a wholly owned subsidiary of Boom Logistics Ltd, has settled its legal claim relating to the 18 metre Glove and Barrier matter. The terms of settlement include re-imbursement of Sherrin Hire's legal costs of circa $1.7 million. This contingent asset has not been recognised as a receivable at reporting date as receipt of the amount is dependent on the outcome of a court process which is currently in progress.

Contingent liabilities
Performance guarantees totalling $2.463 million have been provided in relation to wind farm construction projects last of which will expire by 30 June 2020. There are no other contingent liabilities identified at reporting date.

13. Subsequent Events

Finance Facilities
Subsequent to reporting date, the Group has successfully extended its finance facilities with its lenders on improved terms. The new finance package comprises:

- $20 million, 3 year syndicated loan facility expiring January 2022;
- $20 million, 3 year trade receivables loan facility expiring January 2022;
- $35 million asset finance facilities with De Lage Landen, including new finance and operating lease facilities with a variation to the existing facility. The existing facility will be varied to decrease the fixed borrowing rate by 57 basis points and increase amortisation, reducing the residual from $10 million to $5 million at August 2021.

The extended finance facilities became effective on 29 January 2019.

14. Changes in Significant Accounting Policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding reporting period, except for the adoption of the new accounting standards AASB 15 *Revenue from Contracts with Customers* and AASB 9 *Financial Instruments*. The nature and effect of these new accounting standards are disclosed below.

Section D: Other Disclosures (continued)

14. Changes in Significant Accounting Policies (continued)

Standards	**AASB 15 *Revenue from Contracts with Customers***
Nature of change	AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. It provides a five step model that applies to all customer contracts and it aims to better reflect the consideration that an entity expects to receive from customers in exchange for its goods and services. The new standard is based on the principle that revenue is recognised when control of a good or service transfers to a customer.
Effective date	Mandatory for financial years commencing on or after 1 January 2018. The Group elected to use the modified retrospective approach in adopting the new standard which means that the cumulative impact has been recognised in retained earnings as of 1 July 2018 for customer contracts that were not completed at the date of initial application and that comparatives have not been restated.
Impact	*Rendering of services* Pre AASB 15, revenue from the hire of lifting/access equipment, labour and other services provided was recognised where the right to be compensated for the services could be reliably measured. This typically occurs when the job dockets or timecards were approved by the customers. If the services under a single arrangement were rendered in different reporting periods, then the consideration was allocated on a relative fair value basis. *Construction contracts* Pre AASB 15, revenue from the installation of wind towers was recognised by reference to the stage of completion. The stage of completion was measured by reference to the wind tower units completed to date as a percentage of the total wind tower units under the contract. When the contract outcome cannot be measured reliably, revenue was recognised only to the extent that the expenses incurred are eligible to be recovered. Under AASB 15, the total consideration in the services above is allocated based on their stand-alone selling prices. The stand-alone selling prices are determined based on the list prices at which the Group sells the services in separate transactions. Based on the Group's assessment, the fair value and the stand-alone selling prices of both types of services above are broadly similar. Consequently, at the date of initial application, there were no significant differences in the timing of revenue recognition for these services which required the restatement of opening retained earnings as of 1 July 2018.

Section D: Other Disclosures (continued)

14. Changes in Significant Accounting Policies (continued)

Standards	**AASB 9 *Financial Instruments***
Nature of change	AASB 9 replaces the existing guidance in IAS 39 Financial Instruments; Recognition and Measurement. AASB 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and de-recognition of financial instruments from IAS 39.
Effective date	Mandatory for financial years commencing on or after 1 January 2018. The Group elected to use the modified retrospective approach in adopting the new standard which means that the cumulative impact has been recognised in retained earnings as of 1 July 2018 and that comparatives have not been restated.
Impact	*Impairment* The new standard did not have a significant impact on the classification and measurement of the Group's financial assets with the exception of impairment losses on trade receivables. The new standard replaces the incurred loss approach with a forward looking expected credit loss ("ECL") approach in measuring impairment losses. The Group has applied the simplified approach and recorded lifetime expected losses on all trade receivables. In adopting the ECL approach, 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 in default when contractual payments are 90 days past due, subject to other internal or external information that indicate otherwise. Based on the assessments undertaken, the impairment losses on trade receivables increased by $0.4 million and opening retained earnings as of 1 July 2018 was restated as such. *Hedge accounting* The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. At the date of initial application, all the Group's existing hedging relationships were eligible to be treated as continuing hedging relationships. Consistent with prior periods, the Group has continued to designate the change in fair value of the entire forward contract in the Group's cash flow hedge relationships and, as such, the adoption of the new hedge accounting rules had no significant impact on the Group's financial statements.

Section D: Other Disclosures (continued)

15. New accounting standards and interpretations not yet adopted

The following standards, amendments to standards and interpretations have been identified as those which may impact the Group in the period of initial application. They are not yet effective and not adopted by the Group in preparing these interim consolidated financial statements.

New standards	**AASB 16 *Leases***
Nature of change	The standard removes the classification of leases as either operating leases or finance leases for the lessee, effectively treating all leases as finance leases. This will effectively move all off-balance sheet operating leases onto the balance sheet that is similar to current finance lease accounting.
Effective date	Mandatory for financial years commencing on or after 1 January 2019. The Group intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 July 2019 and that comparatives will not be restated.
Impact	The Group has completed a preliminary assessment of the potential impact on the consolidated financial statements resulting from the application of AASB 16 with respect to existing operating leases (primarily in relation to motor vehicles and property, plant & equipment) for continuing operations. The standard will have an impact on key financial measures such as EBITDA, EBIT and net assets, due to the standard replacing straight line operating lease expenses with a depreciation charge for the lease asset and interest expense for the lease liability. The actual impact of applying AASB 16 on the financial statements in the period of initial application will depend on future economic conditions, including the Group’s borrowing rate at 1 July 2019, the composition of the Group’s operating lease portfolio at that date, the Group’s latest assessment of whether it will exercise any lease renewal options and the extent to which the Group chooses to use practical expedients and recognition exemptions. As at the reporting date, the Group has non-cancellable operating leases with terms ranging from one to five years. Commitments under these leases are circa $22 million.

Directors' Declaration

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

   (a) the consolidated interim financial statements and notes that are set out on pages 7 to 28 are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2018 and of its performance for the half-year ended on that date; and

      (ii) complying with Accounting Standard AASB 134 Interim Financial Reporting and Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors:

Maxwell Findlay
Chairman

Tony Spassopoulos
Managing Director

Melbourne, 21 February 2019

Independent Auditor's Review Report

To the shareholders of Boom Logistics Limited

Report on the Half-Year Financial Report

Conclusion

We have reviewed the accompanying ***Half-year Financial Report*** of Boom Logistics Limited.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the Half-year Financial Report of Boom Logistics Limited is not in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the ***Group's*** financial position as at 31 December 2018 and of its performance for the Half-year ended on that date; and
- complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*.

The ***Half Year Financial Report*** comprises:

- Consolidated statement of financial position as at 31 December 2018
- Consolidated statement of comprehensive income, Consolidated statement of changes in equity and Consolidated statement of cash flows for the Half Year ended on that date
- Notes 1 to 15 comprising a summary of significant accounting policies and other explanatory information
- The Directors' Declaration.

The ***Group*** comprises Boom Logistics Limited (the Company) and the entities it controlled at the Half year's end or from time to time during the Half-year.

Responsibilities of the Directors for the Half-year Financial Report

The Directors of the Company are responsible for:

- the preparation of the Half-year Financial Report that gives a true and fair view in accordance with *Australian Accounting Standards* and the *Corporations Act 2001*
- such internal control as the Directors determine is necessary to enable the preparation of the Half-year Financial Report that is free from material misstatement, whether due to fraud or error.

KPMG

Auditor's responsibility for the review of the Half-year Financial Report

Our responsibility is to express a conclusion on the Half-year Financial Report based on our review. We conducted our review in accordance with *Auditing Standard on Review Engagements ASRE 2410 Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the Half-year Financial Report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2018 and its performance for the half-year ended on that date; and complying with *Australian Accounting Standard AASB 134 Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Boom Logistics Limited, *ASRE 2410* requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

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

KPMG

KPMG

Andrew Hounsell
Partner
Melbourne
21 February 2019