

Finding Opportunities in
Small and Medium-Sized
Companies



Appendix 4D Statement
for the Half-Year Ending
31 December 2023



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This half-year report is presented under listing rule 4.2A and should be read in conjunction with the Company's 2023 Annual Report.

This announcement was authorised for release by the Board of Mirrabooka Investments Limited.

Mirrabooka Investments Limited ABN 31 085 290 928

Results for Announcement to the Market

The reporting period is the half year ended 31 December 2023 with the prior corresponding period being the half year ended 31 December 2022.

The Half year financial report has been reviewed by the Company's auditors.

- > For the six-month period, Mirrabooka's portfolio return including the benefit of franking was 10.7%. The combined Small Ordinaries and Mid Cap 50 sector benchmark including franking, was 5.1% over the same period.
- > Profit for the half-year was \$4.6 million. This is 18.3% down on the \$5.7 million reported for the previous corresponding period. The reduction was due to prior corresponding period gains on the trading portfolio and option activity not being repeated this half year, which saw a profit reduction of over \$2 million. Dividends and distributions received increased by 9.3%.
- > Revenue from operating activities was \$6.6 million, 9.7% up on the previous corresponding period. This excludes capital gains on investments.
- > The interim dividend of 4.0 cents per share fully franked (at 30%), an increase of 0.5 cents per share on last year's interim dividend, will be paid on 19 February 2024 to ordinary shareholders on the register on 25 January 2024. There is no conduit foreign income component of the dividend.
- > All of the interim dividend is sourced from capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain, known as an "LIC capital gain", attached to this dividend is 5.71 cents (4.0 cents grossed up for tax). This enables some shareholders to claim a tax deduction in their tax return. Further details will be on the dividend statements.
- > A Dividend Reinvestment Plan (DRP) and a Dividend Substitution Share Plan (DSSP) are available, the price for which will be set at a nil discount to the Volume Weighted Average Price of the Company's shares traded on the ASX and Cboe automated trading systems over the five trading days from when the shares trade ex-dividend. The last date for the receipt of an election notice for participation in the DRP and DSSP is 5 pm (AEST) on 29 January 2024.
- > A final dividend for the 2023 financial year of 6.5 cents per share plus a special dividend of 4.5 cents, both fully franked, were paid to shareholders on 17 August 2023.
- > Net asset backing per share before any provision for deferred tax on the unrealised gains on the long term investment portfolio as at 31 December 2023 was \$3.06 (before allowing for the interim dividend), up from \$2.68 (also before allowing for the interim dividend) at the end of the previous corresponding period.
- > The Company will be providing an update on these results via a webcast for shareholders on Monday, 5 February 2024 at 3.30 pm (AEST). Details are on the website at mirra.com.au.

Mirrabooka Delivers Strong Portfolio Performance, Increases Interim Dividend.

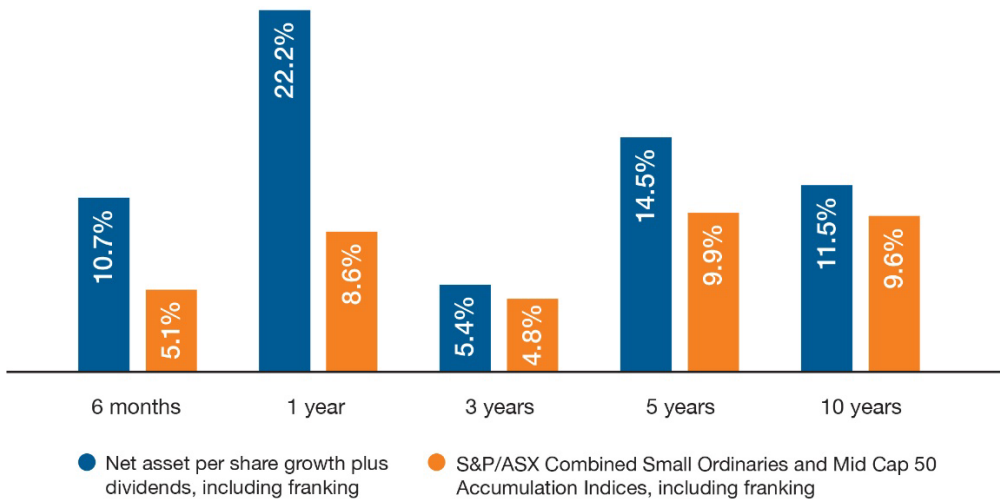
Half Year Report to 31 December 2023

Mirrabooka is an investor in small and mid-cap companies seeking to provide attractive income and capital growth over the medium to long term to shareholders at a low cost.

For the six-month period, Mirrabooka’s portfolio return including the benefit of franking was 10.7%. The combined Small Ordinaries and Mid Cap 50 sector benchmark including franking, was 5.1% over the same period.

The 12-month portfolio return including franking was 22.2%. The combined Small Ordinaries and Mid Cap 50 benchmark return over the corresponding period including franking was 8.6%. The strong relative outperformance has come from longer term holdings such as James Hardie Industries, Reece, ARB Corporation, Audinate Group, Breville Group and CAR Group, and relative new holdings Gentrack and IPD Group. In addition, the underweight portfolio position in many mid-sized resource companies which underperformed the market has also benefited relative performance over the 12-month period.

Portfolio return (including the full benefit of franking) to 31 December 2023



Per annum returns other than for six months. Mirrabooka’s performance numbers are after costs. Past performance is not indicative of future performance.

Portfolio activity commonly involved trimming of holdings for risk management purposes due to stretched share prices in larger portfolio positions. Much of this occurred late in the half, as the market rallied aggressively through November and December. Buying activity was driven by seeking better value in new portfolio additions as well as opportunistically topping up existing holdings, particularly in the interest-rate driven market weakness seen in October.

The interim dividend has been increased to 4.0 cents per share fully franked up from the interim dividend last year of 3.5 cents per share fully franked.

Half Year Profit was \$4.6 million, down from \$5.7 million in the prior corresponding period. While dividend income from investments increased, the large contribution from the trading portfolio and option activity in the prior corresponding period was not repeated this half year.

Market Commentary and Portfolio Performance

Mirrabooka delivered a return for the six months to 31 December 2023 including the benefit of franking of 10.7%. This was well ahead of the return for the combined Small Ordinaries and Mid Cap 50 benchmark, which was 5.1% including franking over the same period. The 12-month portfolio return including franking was 22.2%. The combined Small Ordinaries and Mid Cap 50 benchmark return over the corresponding period including franking was 8.6%.

The economic and market backdrop has remained challenging to interpret.

Notwithstanding this, we have been pleased by the contribution to portfolio returns that we have received from both the consistent underlying operating performance of core key long term holdings, as well as the value captured from our investment activity throughout 2022 and 2023.

In terms of contribution from our long-term holdings, our portfolio returns have recently been assisted by continued strong performance in James Hardie Industries, ARB Corporation, Breville Group and CAR Group. The strong share price rebound in Temple & Webster, a stock that we first acquired in early 2020 prior to the COVID-19 induced share price volatility that followed, has also been particularly beneficial.

More recent purchases have also provided strong contributions. Gentrack (software provider to utility and airport customers) and IPD Group (an electrical components distributor) have both delivered exceptional share price performance in the approximately two years since they were acquired. As they have both continued to deliver particularly strong underlying results, we have enjoyed the benefit of compounding share price appreciation, which has seen relatively small initial positions move up into our top 20 portfolio holdings.

Other notable positive performance in the financial year to date has come from previously well-identified early stage growth companies like Audinate (audio and visual networking technology provider) and Chrysos (mineral assay technology provider).

Importantly in the context of Mirrabooka's long-term horizon the portfolio has performed ahead of its benchmark over the last three, five and 10 years despite the volatility in recent returns.

Portfolio Adjustments

We have continued to seek out the best relative long term value in companies that meet our quality threshold during the half year.

As a result, a new position in IGO (part-owner of the world's lowest-cost large-scale lithium mine, Greenbushes) was added and we continued to add to our recent addition, Lynas Rare Earths (the only scale producer of rare earths material outside of China). While subsequent share price falls suggest that we bought these too early, we remain comfortable with our investment thesis and the long-term outlook for each.

We have also seen value emerge in the Real Estate Investment Trust sector, as the sharp recent rise in interest rates saw material share price falls across the sector. We established a new position in Region Group which we view as a secure income producer, with its centres anchored by large non-discretionary supermarket tenants.

Telix Pharmaceuticals (radiopharmaceutical business that is a market leader for the detection of prostate cancer) and Lindsay Australia (transport company that has recently enjoyed market share gains servicing food produce markets across eastern Australia) were the other material portfolio additions made in the six-month period.

To fund these purchases, we exited our investment in Santos, a holding that we retained after our long-term shareholding in Oil Search was taken over by Santos. We also closed out our successful trading position in Medibank, which was bought after the steep share price decline following its cyber breach in late 2022.

We also trimmed holdings where valuations had risen with portfolio position sizes looking too high for the value now on offer. This occurred most materially in our positions in REA Group, Eagers Automotive, Netwealth, Auckland Airport and Reece.

Outlook

With the sharp rise in global inflation abating, markets have in recent months taken encouragement from the view that interest rates have peaked. As a result, we saw a “soft landing” narrative driving markets, particularly through November and December.

Despite the present resilient state of economic activity, risks remain, particularly if inflation does not meet central bank targets or economic activity begins to fall as a lagged result of previous interest rate increases. Either scenario would provide downside risk to the way markets are currently being priced.

Notwithstanding this caution, we continue to invest for the long term. We take encouragement from the market share gains that a number of our more meaningful holdings are consistently achieving. We also continue to be encouraged by the opportunities that our process and experience allow us to discover – typically because either the market is taking a short-term view that doesn’t appropriately reflect medium to long term value or the company is at an early stage and is yet to be broadly discovered.

Following the strong absolute and relative return we have seen from our portfolio over the 2023 calendar year, we are again somewhat cautious on some of the stock valuations that we are observing within the portfolio. If market buoyancy continues, we expect to be testing holdings for valuation extremes and searching for other opportunities that present stronger long-term value. In doing so, we will remain particularly focused on ensuring that the quality of the companies we own isn’t compromised, which ensures our portfolio remains well placed to navigate a wide range of possible economic outcomes.

Please direct any enquiries to:

Mark Freeman
Managing Director
(03) 9225 2101

Geoff Driver
General Manager
(03) 9225 2102

18 January 2024

Major Transactions in the Investment Portfolio

Acquisitions	Cost (\$'000)
IGO	8,226
Region Group	7,406
Telix Pharmaceuticals	5,513

Disposals	Proceeds (\$'000)
Santos (complete disposal)	5,896
REA Group	5,646
Eagers Automotive	5,564

New Companies Added to the Portfolio

IGO
 Region Group
 Telix Pharmaceuticals
 Lindsay Australia
 Janison Education Group
 Genetic Signatures

Top 20 Investments at 31 December 2023

Includes investments held in both the investment and trading portfolios.

Value at Closing Prices at 29 December 2023

		Total Value \$ Million	% of the Portfolio
1	Macquarie Technology Group	30.8	5.3%
2	Mainfreight	22.1	3.8%
3	ARB Corporation*	21.8	3.8%
4	CAR Group*	20.7	3.6%
5	Gentrack Group	17.7	3.1%
6	Breville Group	16.8	2.9%
7	Temple & Webster Group	16.4	2.8%
8	James Hardie Industries*	16.0	2.8%
9	IDP Education	15.7	2.7%
10	ALS	15.5	2.7%
11	IPD Group	15.4	2.7%
12	ResMed	14.4	2.5%
13	EQT Holdings	13.6	2.3%
14	HUB24*	12.6	2.2%
15	Reece*	12.2	2.1%
16	EVT	12.1	2.1%
17	Netwealth Group	11.7	2.0%
18	Fisher & Paykel Healthcare Corporation*	11.6	2.0%
19	REA Group*	11.5	2.0%
20	AUB Group	10.6	1.8%
Total		319.1	

As percentage of total portfolio value (excludes cash)

55.2%

* Indicates that options were outstanding against part of the holding.

Portfolio Performance to 31 December 2023

Performance Measures to 31 December 2023	6 Months	1 Year	3 Years % pa	5 Years % pa	10 Years % pa
Portfolio Return – Net Asset Backing Return Including Dividends Reinvested	9.0%	19.7%	3.6%	12.1%	8.9%
<i>Combined S&P/ASX Small Ordinaries and Mid Cap 50 Accumulation Index</i>	4.7%	7.8%	4.0%	9.1%	8.7%
Portfolio Return – Net Asset Backing Gross Return Including Dividends Reinvested*	10.7%	22.2%	5.4%	14.5%	11.5%
<i>Combined S&P/ASX Small Ordinaries and Mid Cap 50 Accumulation Index*</i>	5.1%	8.6%	4.8%	9.9%	9.6%

* Incorporates the benefit of franking credits for those who can fully utilise them.

Past performance is not indicative of future performance.



**MIRRABOOKA
INVESTMENTS LIMITED**

ABN 31 085 290 928

**HALF-YEAR REPORT
31 DECEMBER 2023**

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COMPANY PARTICULARS

Mirrabooka Investments Limited (“MIR”)

ABN 31 085 290 928

Directors: Greg Richards, Chairman
Ian A. Campbell
Jacinth K. Fairley
Antoinette A. Kimmitt AM
Tony B. Walls
R. Mark Freeman, Managing Director

Company Secretaries: Matthew J. Rowe
Andrew J.B. Porter

Auditor: PricewaterhouseCoopers, Chartered Accountants

Country of incorporation: Australia

Registered office: Level 21
101 Collins Street
Melbourne, Victoria 3000

Contact Details: Mail Address: Level 21, 101 Collins Street, Melbourne, Victoria 3000
Telephone: (03) 9650 9911
Facsimile: (03) 9650 9100
Email: invest@mirra.com.au
Internet address: mirra.com.au

For enquiries regarding net asset backing (as advised each month to the Australian Securities Exchange):

Telephone: 1800 780 784 (toll free)

Share Registrar: Computershare Investor Services Pty Limited
Address: GPO Box 2975, Melbourne, Victoria 3001
Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067
Shareholder enquiry line: 1300 653 924
+61 3 9415 4342 (from overseas)

Facsimile: (03) 9473 2500

Internet: www.investorcentre.com/contact

For all enquiries about shareholdings and related matters, please contact the share registrar as above.

Securities Exchange

Code: MIR Ordinary shares (ASX)

DIRECTORS' REPORT

This report in relation to the half-year to 31 December 2023 is presented by the Directors of Mirrabooka Investments Limited ('the Company') in accordance with a resolution of Directors.

Directors

The following persons were Directors of the Company during the half-year and up to the date of this report:

G. Richards (appointed Director January 2021, appointed Chairman October 2022)
I.A. Campbell (appointed November 2007)
J.K. Fairley (appointed February 2018)
A.A. Kimmitt AM (appointed January 2021)
T.B. Walls (appointed March 2023)
R.M. Freeman (appointed January 2018)

Review of the Company's operations and results

Overview

Mirrabooka's principal activity is investment in small and medium sized companies listed on the Australian and New Zealand Stock Exchanges. There have been no changes in the nature of the Company's activities during the period. Operations began on 22 April 1999.

Performance Indicators and Outcomes

Profit for the half-year to 31 December 2023 was \$4.6 million, down from \$5.7 million the previous corresponding period, driven primarily by the unrealised loss on the open options positions, which are accounted for at market value.

Dividends and distributions received increased by 9.3%.

The net profit per share for the six months to 31 December 2023 was 2.41 cents per share (2022 : 2.97 cents per share).

Dividend

The Board has declared an interim fully franked dividend of 4.0 cents per share, up from last year's interim dividend of 3.5 cents.

All of the interim dividend is sourced from capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain, known as an "LIC capital gain", attached to this dividend is therefore 5.71 cents (4.0 cents grossed up for tax).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 13.

Rounding of amounts to nearest thousand dollars

The Company is of a kind referred to in the ASIC Corporations' (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the "rounding off" of amounts in the directors' report and

financial report. Unless specifically stated otherwise, amounts in the directors' report and financial report have been rounded off to the nearest thousand dollars in accordance with that Instrument.

This report is made in accordance with a resolution of the Directors.

(Signature of G Richards)



G Richards
Chairman
Melbourne
18 January 2024

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Auditor's Independence Declaration

As lead auditor for the review of Mirrabooka Investments Limited for the half-year ended 31 December 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 review; and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.

A handwritten signature in black ink, appearing to read 'Kate L Logan', with a long horizontal flourish extending to the right.

Kate L Logan
Partner
PricewaterhouseCoopers

Melbourne
18 January 2024

PricewaterhouseCoopers, ABN 52 780 433 757
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Liability limited by a scheme approved under Professional Standards Legislation.

INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Note	Half-year 2023 \$'000	Half-year 2022 \$'000
Dividends and distributions		6,305	5,766
Revenue from deposits and bank bills		323	278
Total revenue		6,628	6,044
Net gains on trading portfolio		677	1,436
Income from options written portfolio		(525)	875
Income from operating activities	3	6,780	8,355
Finance costs		(54)	(46)
Administration expenses		(1,582)	(1,578)
Profit before income tax expense		5,144	6,731
Income tax expense		(508)	(1,060)
Profit for the half-year		4,636	5,671
		Cents	Cents
Basic earnings per share	8	2.41	2.97

This Income Statement should be read in conjunction with the accompanying notes.

STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Half-Year to 31 December 2023			Half-Year to 31 December 2022		
	Revenue	Capital	Total	Revenue	Capital	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Profit for the half-year	4,636	-	4,636	5,671	-	5,671
Other Comprehensive Income						
Gains for the period on equity securities in the investment portfolio	-	46,608	46,608	-	22,630	22,630
Tax on above	-	(13,976)	(13,976)	-	(6,789)	(6,789)
Total Other Comprehensive Income¹	-	32,632	32,632	-	15,841	15,841
Total comprehensive income²	4,636	32,632	37,268	5,671	15,841	21,512

¹ These are the net capital gains not accounted for through the Income Statement.

² This is the company's Net Return for the half-year, which includes the Net Profit plus the net realised and unrealised gains or losses on the Company's investment portfolio and net gains/(losses) on open options positions.

Note that none of the items included in Other Comprehensive Income will be recycled through the Income Statement.

This Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

BALANCE SHEET AS AT 31 DECEMBER 2023

		31 Dec 2023 \$'000	30 June 2023 \$'000
	Note		
Current assets			
Cash		13,731	23,330
Receivables		228	470
Trading portfolio		6,448	10,442
Total current assets		20,407	34,242
Non-current assets			
Deferred tax assets		248	-
Investment portfolio		573,616	533,707
Total non-current assets		573,864	533,707
Total assets		594,271	567,949
Current liabilities			
Payables		12	2,562
Tax payable		2,734	6,469
Options written portfolio	4	2,274	1,097
Total current liabilities		5,020	10,128
Non-current liabilities			
Deferred tax liabilities - investment portfolio	5	64,907	52,870
Deferred tax liabilities - other		-	532
Total non-current liabilities		64,907	53,402
Total liabilities		69,927	63,530
Net Assets		524,344	504,419
Shareholders' equity			
Share Capital	6	303,618	300,148
Revaluation Reserve		122,679	100,338
Realised Capital Gains Reserve		49,111	59,633
Retained Profits		48,936	44,300
Total shareholders' equity		524,344	504,419

This Balance Sheet should be read in conjunction with the accompanying notes.

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

Half-Year to 31 December 2023	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the half-year		300,148	100,338	59,633	44,300	504,419
Dividends paid	7	-	-	(20,813)	-	(20,813)
Shares issued - Dividend Reinvestment Plan	6	3,484	-	-	-	3,484
Share Issue Costs	6	(14)	-	-	-	(14)
Total transactions with shareholders		3,470	-	(20,813)	-	(17,343)
Profit for the half-year		-	-	-	4,636	4,636
Other Comprehensive Income						
Net gains for the period on equity securities in the investment portfolio		-	32,632	-	-	32,632
Other Comprehensive Income for the half-year		-	32,632	-	-	32,632
Transfer to Realised Capital Gains Reserve of net cumulative realised gains on investments		-	(10,291)	10,291	-	-
Total equity at the end of the half-year		303,618	122,679	49,111	48,936	524,344

This Statement of Changes in Equity should be read in conjunction with the accompanying notes

STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2023 (CONT)

Half-Year to 31 December 2022	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
Total equity at the beginning of the half-year		296,309	65,900	65,026	32,990	460,225
Dividends paid	7	-	-	(15,392)	-	(15,392)
Shares issued - Dividend Reinvestment Plan		2,673	-	-	-	2,673
Share Issue Costs		(11)	-	-	-	(11)
Total transactions with shareholders		2,662	-	(15,392)	-	(12,730)
Profit for the half-year		-	-	-	5,671	5,671
Other Comprehensive Income						
Net gains for the period on equity securities in the investment portfolio		-	15,841	-	-	15,841
Other Comprehensive Income for the half-year		-	15,841	-	-	15,841
Transfer to Realised Capital Gains Reserve of net cumulative realised gains on investments		-	(6,213)	6,213	-	-
Total equity at the end of the half-year		298,971	75,528	55,847	38,661	469,007

This Statement of Changes in Equity should be read in conjunction with the accompanying notes.

CASH FLOW STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

	Half-year 2023 \$'000 INFLOWS/ (OUTFLOWS)	Half-year 2022 \$'000 INFLOWS/ (OUTFLOWS)
Cash flows from operating activities		
Sales from trading portfolio	10,343	7,974
Purchases for trading portfolio	(6,615)	(5,198)
Interest received	323	278
Proceeds from entering into options in options written portfolio	1,080	1,247
Payment to close out options in options written portfolio	(428)	(213)
Dividends and distributions received	6,103	6,020
	<u>10,806</u>	<u>10,108</u>
Other receipts	-	-
Finance costs	(54)	(46)
Administration expenses	(1,620)	(1,749)
Income taxes (paid)/refunded	(610)	(155)
Net cash inflow/(outflow) from operating activities	<u>8,522</u>	<u>8,158</u>
Cash flows from investing activities		
Sales from investment portfolio	68,474	40,356
Purchases for investment portfolio	(63,163)	(40,477)
Tax paid on capital gains	(6,090)	(14,150)
Net cash inflow/(outflow) from investing activities	<u>(779)</u>	<u>(14,271)</u>
Cash flows from financing activities		
Share issue costs	(14)	(11)
Dividends paid	(17,328)	(12,719)
Net cash inflow/(outflow) from financing activities	<u>(17,342)</u>	<u>(12,730)</u>
Net increase/(decrease) in cash held	(9,599)	(18,843)
Cash at the beginning of the half-year	<u>23,330</u>	<u>27,396</u>
Cash at the end of the half-year	<u>13,731</u>	<u>8,553</u>

This Cash Flow Statement should be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2023

1. Basis of preparation of half-year financial report

This general purpose half-year financial report has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This half-year financial report does not include all the notes of the type normally included in an annual financial report. This report should be read in conjunction with the 2023 Annual Report and public announcements made by the Company during the half-year, in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

In the interests of transparency in its reporting, the Company uses the phrase “market value” in place of the AASB terminology “fair value for actively traded securities.”

2. Financial reporting by segments

The Company operates as a Listed Investment Company in Australia. It has no reportable business or geographic segments.

(a) Segment information provided to the Board

The internal reporting provided to the Board for the Company’s assets, liabilities and performance is prepared on a consistent basis with the measurement and recognition principles of Australian Accounting Standards, except that net assets are reviewed both before and after the effects of unrealised capital gains tax on investments (as reported in the Company’s Net Tangible Asset announcements to the ASX).

The relevant amounts as at 31 December 2023 and 31 December 2022 were as follow

Net tangible asset backing per share	2023	2022
	\$	\$
Before Tax	3.06	2.68
After Tax	2.72	2.45

(b) Other segment information

(i) Segment Revenue

Revenues from external parties are derived from the receipt of dividend, distribution and interest income, and income arising on the trading portfolio and realised income from the options portfolio.

The Company is domiciled in Australia and the Company’s income is predominantly derived from Australian or New Zealand entities or entities that have a listing on the Australian Securities Exchange or the NZX. The Company has a diversified portfolio of investments, with no investment comprising more than 10% of the Company’s income (including trading and option income).

3. Income from operating activities	Half-year 2023 \$'000	Half-year 2022 \$'000
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Income from operating activities is comprised of the following:

Dividends & distributions		
• securities held in investment portfolio	6,118	5,759
• securities held in trading portfolio	187	7
	<u>6,305</u>	<u>5,766</u>
Interest income		
• deposits and income from bank bills	323	278
Net gains/(losses)		
• net gains from trading portfolio sales	196	1,422
• unrealised gains/(losses) in trading portfolio	481	14
• realised gains on options written portfolio	1,049	555
• unrealised gains/(losses) on options written portfolio	(1,574)	320
	<u>152</u>	<u>2,311</u>
Other income	-	-
Income from operating activities	<u>6,780</u>	<u>8,355</u>

4. Current liabilities - options written portfolio

As at balance date there were call options outstanding which potentially required the Company, if they were all exercised, to deliver securities to the value of \$29.6 million (30 June 2023: \$39.5 million).

5. Deferred tax liabilities – investment portfolio

In accordance with AASB 112 *Income Taxes*, deferred tax liabilities have been recognised for Capital Gains Tax on unrealised gains in the investment portfolio at current tax rates (30%) totalling \$64.9 million (30 June 2023 : \$52.9 million). As the Directors do not intend to dispose of the portfolio, this tax liability may not be crystallised at this amount.

6. Shareholders' equity – share capital

Movements in Share Capital of the Company during the half-year were as follows:

Date	Details	Notes	Number of shares '000	Issue price \$	Paid-up Capital \$'000
01/07/2023	Opening Balance		191,570		300,148
17/08/2023	Dividend Reinvestment Plan	(i)	1,218	2.86	3,484
17/08/2023	Dividend Substitution Share Plan	(ii)	91	2.86	n/a
Various	Share Issue Costs		-		(14)
31/12/2023	Balance		<u>192,879</u>		<u>303,618</u>

- (i) The Company has a Dividend Reinvestment Plan ("DRP") under which some shareholders elected to have all or part of their dividend payment reinvested in new ordinary shares.

Pricing of the new DRP shares was based on the average selling price of shares traded on the Australian Securities Exchange & Cboe in the five days from the day the shares begin trading on an ex-dividend basis.

- (ii) The Company has a Dividend Substitution Share Plan ("DSSP") under which some shareholders elected to forego all or part of their dividend payment and receive shares instead. Pricing of the new DSSP shares was done on the same basis as the DRP.

7. Dividends	Half-year 2023 \$'000	Half-year 2022 \$'000
Fully-franked dividends paid during the period	20,813 (6.5 cents final plus 4.5 cents special)	15,392 (6.5 cents final plus 2 cents special)

Dividends not recognised at period end

**2023
\$'000**

Since the end of the half-year the Directors have declared an interim dividend of 4 cents per share fully franked. The aggregate amount of the proposed interim dividend expected to be paid on 19 February 2024, but not recognised as a liability at the end of the half-year is

7,715

8. Earnings per Share

	Half-year 2023 Number	Half-year 2022 Number
Weighted average number of ordinary shares used as the denominator	192,537,552	190,849,391
Basic earnings per share		
	\$'000	\$'000
Net profit for the half-year	4,636	5,671
	Cents	Cents
Basic earnings per share	2.41	2.97

Dilution

As there are no options, convertible notes or other dilutive instruments on issue, diluted earnings per share is the same as basic earnings per share.

9. Contingencies

At balance date Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the financial report.

10. Events subsequent to balance date

Since 31 December 2023 to the date of this report there has been no event of which the Directors are aware which has had a material effect on the Company or its financial position.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 14 to 23 are in accordance with the Corporations Act 2001, including:
 - (i) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
 - (ii) giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance, as represented by the results of the operations, changes in equity and cash flows, for the half-year ended on that date; 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.

This declaration is made in accordance with a resolution of the Directors.



G Richards
Chairman
Melbourne
18 January 2024

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Independent auditor's review report to the members of Mirrabooka Investments Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Mirrabooka Investments Limited (the Company) which comprises the balance sheet as at 31 December 2023, the statement of comprehensive income, statement of changes in equity, cash flow statement and income statement for the half-year ended on that date, material accounting policy information and explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date
2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report.

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

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* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement whether due to fraud or error.

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Auditor's responsibilities 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. ASRE 2410 requires us to conclude whether 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 Company's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PricewaterhouseCoopers

PricewaterhouseCoopers

Kate L Logan

Kate L Logan
Partner

Melbourne
18 January 2024