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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 2020 Annual Report.

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

Mirabooka Investments Limited ABN 31 085 290 928

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## RESULTS FOR ANNOUNCEMENT TO THE MARKET

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The reporting period is the half-year ended 31 December 2020 with the previous corresponding period being the half-year ended 31 December 2019. The results have been reviewed by the Company's auditors.

### Results for announcement to the market

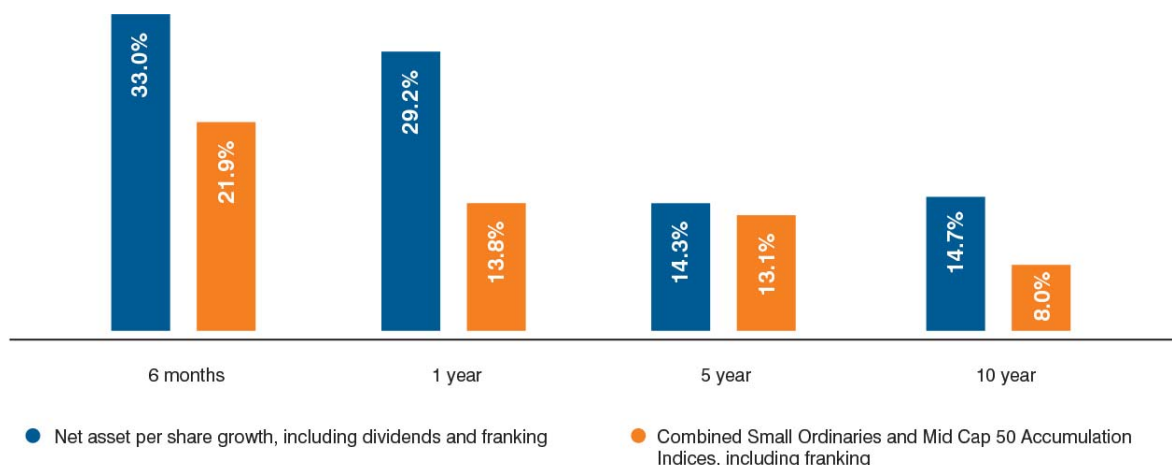
- Profit for the half-year was \$3.4 million. This is 22.8% down on the previous corresponding period. Dividends and distributions received decreased by 29.0%.
- Revenue from operating activities was \$3.3 million, 31.0% down on the previous corresponding period. This excludes capital gains on investments.
- The interim dividend of 3.5 cents per share fully franked (at 30%), the same as last year's interim dividend, will be paid on 16 February 2021 to ordinary shareholders on the register on 25 January 2021. 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 cents (3.5 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 Dividend Substitution Share Plan (DSSP) are available, the price for which will be set at a **2.5% discount** to the Volume Weighted Average Price of the Company's shares traded on the ASX and Chi-X 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 & DSSP is 5.00 pm (Melbourne time) on 27 January 2021.
- A final dividend for the 2020 financial year of 6.5 cents per share, fully franked, was paid to shareholders on 17 August 2020.
- Net asset backing per share as at 31 December 2020 was \$3.11 before deferred tax on the unrealised gains on the long-term investment portfolio, up from \$2.54 at the end of the previous corresponding period.
- The Company also announces a Share Purchase Plan to raise up to \$40 million, with a closing date for participation of 15<sup>th</sup> February 2021. Details will be sent to all shareholders.

## Mirrabooka delivers strong portfolio performance

### Half Year Report to 31 December 2020

- For the 6 month period, Mirrabooka's portfolio return, including the benefit of franking, was 33.0%. This is ahead of the combined Small and Mid Cap 50 sector benchmark, including franking, which was up 21.9% over the same period.
- The 12 month portfolio return, including franking, was 29.2%; the combined Small and Mid Cap 50 benchmark return over the corresponding period, including franking, was 13.8%.
- Volatile market conditions continued through the period due the impact of the COVID-19 pandemic and subsequent government and central bank policy responses. This volatility was even more present in the small and mid-cap sectors of the market in which Mirrabooka invests. The long-term adjustments made to the portfolio, including a narrowing of the focus into preferred holdings with quality franchises, has been particularly beneficial through this volatility.
- Half Year Profit was \$3.4 million down from \$4.4 million in the corresponding period last year. The fall in profit was due primarily to a reduced contribution from investment income as many companies lowered or suspended dividend payments. Adjustments made to the portfolio though the period produced after tax realised gains of \$15.3 million. In the corresponding period, last year, after tax realised gains were \$11.6 million.
- The interim dividend has been maintained at 3.5 cents per share fully franked.
- Despite the overall strength in the market, we have found opportunities to add new companies to the portfolio. NIB, Superloop and Nanosonics were purchased through temporary price weakness and Nuix was added through an initial public offering. The most material selling in the 6-month period has come from trimming some of the strongest portfolio performers, Objective Corporation and HUB24, and exiting our positions in Premier Investments and OptiComm, which was taken over. Selling activity has otherwise been relatively subdued as we remain confident in the stocks that we own.
- Mirrabooka remains focussed on long term opportunities in high quality companies and we are confident that with patience future market volatility will provide additional opportunities to invest. At the end of December 2020, Mirrabooka was close to fully invested and has therefore announced a Share Purchase Plan with this result to provide additional funds for the portfolio.

#### Portfolio return (including the full benefit of franking) – to 31 December 2020



Per annum returns other than for 6 months. Performance figures are after costs.



## Market and Portfolio Returns

In the disruption caused by the COVID-19 pandemic during the year, investors factored in significant downside risk at the height of the crisis, with smaller companies unsurprisingly facing an even more uncertain outlook.

With various government and central bank measures beginning to take effect in the second quarter of the 2020 calendar year, the supportive demand backdrop that this provided saw small and mid-cap companies rally more sharply than larger ASX listed companies. As confidence grew around various vaccine developments, and the expected continuance of very low interest rates the market recovery continued further over the 6 months to 31 December 2020. This was particularly evident as many shorter term focussed investors rotated from companies whose revenues increased through the COVID-19 environment (i.e. online retailing), to companies that had been most negatively impacted by pandemic (i.e. travel).

Reflective of the quality of the portfolio, Mirrabooka delivered a return for the 6 months to 31 December 2020, including the benefit of franking, of 33.0%. This was ahead of the Combined Small Ordinaries and Mid Cap 50 benchmark which was up 21.9%, including franking, over the same period. Over the 6-month period, the portfolio has benefitted from strong share price performance in some of our larger holdings such as Mainfreight, ARB Corporation, Objective Corporation, Reece, Net Wealth, HUB24 and Xero. For the 12 months to 31 December 2020, the relative returns were 29.2% for Mirrabooka and 13.8% for the benchmark, with both figures including the benefit of franking.

## Portfolio Changes

Despite the overall strength in the market, we have found opportunities to invest in some new companies for the portfolio. In NIB (health insurance) and Nanosonics (infection control and decontamination products), we have followed progress in these companies that meet our quality thresholds for many years. These were added to the portfolio during meaningful price dips that have since recovered. We have also followed progress at Superloop (fibre telecommunications provider) and saw an opportunity to invest with the arrival of a well credentialed management team which has a focus on extracting greater returns from a valuable asset base. Corporate Travel, which was previously owned, has inevitably been caught up in impacts of the pandemic. However, we decided to re-enter the stock as it very effectively navigated the impacts of the crisis and made a well-timed acquisition in the US.

Capital markets and IPO activity has been particularly buoyant since September. We continue to maintain an approach of meeting as many aspiring IPO candidates as possible as we look to own the highest quality opportunities that arise from these. While we did see some interesting companies to follow into the future, material participation was limited to the data processing business Nuix.

The most material selling in the 6-month period has come from trimming some of the strongest portfolio performers because of valuation risk, Objective Corporation and HUB24, and exiting our positions in Premier Investments and OptiComm, which was taken over. Selling activity has otherwise been relatively subdued as we remain confident in the stocks that we currently own.

## Share Purchase Plan

Mirrabooka is currently close to fully invested. As a result of continuing to find opportunities to further invest, and with fewer concerns that have required us to exit holdings, a Share Purchase Plan has been announced with this result.

Please direct any enquiries to:

Mark Freeman  
Managing Director  
(03) 9225 2122

Geoff Driver  
General Manager  
(03) 9225 2102

**14 January 2021**

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## MAJOR CHANGES TO THE INVESTMENT PORTFOLIO

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<b>Acquisitions</b>	<b>Cost \$'000</b>
NIB Holdings	5,343
Corporate Travel Management	4,250
Superloop	3,729
Nanosonics	3,606
Nuix	3,560

<b>Sales</b>	<b>Proceeds \$'000</b>
Objective Corporation	11,883
Premier Investments <sup>#</sup>	4,407
OptiComm (takeover by Uniti Group) <sup>#</sup>	3,995
HUB24	3,598

<sup>#</sup>Complete disposals from the portfolio.

### New Companies Added to the Investment Portfolio

NIB Holdings  
Superloop  
Nanosonics  
Nuix  
Bike Exchange (IPO to be listed in February 2021)

## TOP INVESTMENTS AS AT 31 DECEMBER 2020

*Includes investments held in both the Investment and Trading Portfolios*

Valued at closing prices at 31 December 2020

		Total Value \$ million	% of Portfolio
1	Mainfreight	32.4	6.4%
2	Macquarie Telecom Group	24.6	4.9%
3	ARB Corporation	22.6	4.5%
4	Reece	19.2	3.8%
5	Netwealth Group	15.6	3.1%
6	Breville Group	15.3	3.0%
7	Qube Holdings	14.7	2.9%
8	NextDC	14.4	2.9%
9	Seek	14.1	2.8%
10	Carsales.com	13.1	2.6%
11	Xero	13.0	2.6%
12	* James Hardie Industries	13.0	2.6%
13	IRESS	12.4	2.5%
14	Invocare	11.7	2.3%
15	Objective Corporation	11.4	2.3%
16	EQT Holdings	11.3	2.2%
17	AUB Group	11.0	2.2%
18	ResMed	9.8	1.9%
19	ALS	9.6	1.9%
20	* Auckland International Airport	9.3	1.8%

298.8

As % of Total Portfolio Value  
(excludes Cash)

59.4%

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

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## PORTFOLIO PERFORMANCE TO 31 DECEMBER 2020

PERFORMANCE MEASURES AT 31 DECEMBER 2020	6 MONTHS	1 YEAR	5 YEARS %PA	10 YEARS %PA
<i>PORTFOLIO RETURN—NET ASSET BACKING RETURN INCLUDING DIVIDENDS REINVESTED</i>	<b>31.6%</b>	<b>27.1%</b>	<b>11.5%</b>	<b>11.7%</b>
<i>COMBINED S&amp;P/ASX SMALL ORDINARIES AND MID CAP 50'S ACCUMULATION INDEX</i>	21.6%	13.1%	12.1%	7.0%
<i>PORTFOLIO RETURN—NET ASSET BACKING GROSS RETURN INCLUDING DIVIDENDS REINVESTED*</i>	<b>33.0%</b>	<b>29.2%</b>	<b>14.3%</b>	<b>14.7%</b>
<i>COMBINED S&amp;P/ASX SMALL ORDINARIES AND MID CAP 50'S GROSS ACCUMULATION INDEX*</i>	21.9%	13.8%	13.1%	8.0%

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

Note: Rebalancing of the portfolio to manage risk is an important part of Mirrabooka's investment approach. The tax paid on realised gains can impact relative performance figures against the Index which does not have such imposts. The inclusion of the benefit of franking credits from the tax paid and distributed to shareholders in the dividend is one way of overcoming this distortion.

Past performance is not indicative of future performance.



MIRRABOOKA

*Investments Limited*

**MIRRABOOKA  
INVESTMENTS LIMITED**

ABN 31 085 290 928

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**HALF-YEAR REPORT**

**31 DECEMBER 2020**

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## COMPANY PARTICULARS

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### Mirrabooka Investments Limited (“MIR”)

ABN 31 085 290 928

**Directors:** Terrence A. Campbell AO, Chairman  
Ross E. Barker  
Ian A. Campbell  
Jacinth K. Fairley  
Antoinette A. Kimmitt AM  
David E. Meiklejohn AM  
Gregory W. Richards  
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](mailto:invest@mirra.com.au)  
Internet address: [mirra.com.au](http://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: Yarra Falls, 452 Johnston Street, Abbotsford, Victoria 3067

Shareholder enquiry line: 1300 653 924  
+613 9415 4342 (from overseas)  
(03) 9473 2500

Facsimile: [www.investorcentre.com/contact](http://www.investorcentre.com/contact)

Internet:

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

**Securities Exchange Code:** MIR Ordinary shares

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## DIRECTORS' REPORT

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This report in relation to the half-year to 31 December 2020 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:

T.A. Campbell AO (appointed December 1998)  
R.E. Barker (appointed December 1998)  
I.A. Campbell (appointed November 2007)  
J.K. Fairley (appointed February 2018)  
A. A. Kimmitt AM (appointed January 2021)  
D.E. Meiklejohn AM (appointed March 2006)  
G.W. Richards (appointed January 2021)  
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 2020 was \$3.4 million, down from \$4.4 million the previous corresponding period.

Dividends and distributions received decreased by 29%.

The net profit per share for the six months to 31 December 2020 was 2.1 cents per share (2019 : 2.7 cents per share).

#### Dividend

The Board has declared an interim fully franked dividend of 3.5 cents per share, the same as last year's interim 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 therefore 5 cents (3.5 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 12.

#### **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.

*T. Campbell*

T.A. Campbell AO  
Chairman  
Melbourne  
14 January 2021

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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 2020, 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 that reads 'Nadia Carlin'.

Nadia Carlin  
Partner  
PricewaterhouseCoopers

Melbourne  
14 January 2021

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**PricewaterhouseCoopers, ABN 52 780 433 757**  
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331, MELBOURNE VIC 3001  
T: 61 3 8603 1000, F: 61 3 8603 1999, [www.pwc.com.au](http://www.pwc.com.au)

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## INCOME STATEMENT FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Note	Half-year 2020 \$'000	Half-year 2019 \$'000
Dividends and distributions		3,262	4,596
Revenue from deposits and bank bills		15	152
<b>Total revenue</b>		<b>3,277</b>	<b>4,748</b>
Net gains on trading portfolio		1,635	1,359
Income from options written portfolio		(26)	(83)
Other income		56	-
<b>Income from operating activities</b>	<b>3</b>	<b>4,942</b>	<b>6,024</b>
Finance costs		(63)	(80)
Administration expenses		(1,039)	(1,077)
<b>Profit before income tax expense</b>		<b>3,840</b>	<b>4,867</b>
Income tax expense		(471)	(505)
<b>Profit for the half-year</b>		<b>3,369</b>	<b>4,362</b>
		<b>Cents</b>	<b>Cents</b>
Basic earnings per share	<b>8</b>	2.08	2.71

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

# STATEMENT OF COMPREHENSIVE INCOME FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

	Half-Year to 31 December 2020			Half-Year to 31 December 2019		
	Revenue	Capital	Total	Revenue	Capital	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Profit for the half-year</b>	<b>3,369</b>	<b>-</b>	<b>3,369</b>	<b>4,362</b>	<b>-</b>	<b>4,362</b>
<b>Other Comprehensive Income</b>						
Gains for the period on equity securities in the investment portfolio	-	123,885	<b>123,885</b>	-	35,257	<b>35,257</b>
Deferred tax on above	-	(37,163)	<b>(37,163)</b>	-	(10,753)	<b>(10,753)</b>
<b>Total Other Comprehensive Income<sup>1</sup></b>	<b>-</b>	<b>86,722</b>	<b>86,722</b>	<b>-</b>	<b>24,504</b>	<b>24,504</b>
<b>Total comprehensive income<sup>2</sup></b>	<b>3,369</b>	<b>86,722</b>	<b>90,091</b>	<b>4,362</b>	<b>24,504</b>	<b>28,866</b>

<sup>1</sup> These are the net capital gains not accounted for through the Income Statement.

<sup>2</sup> 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 2020

		31 Dec 2020 \$'000	30 June 2020 \$'000
<b>Current assets</b>			
Cash		8,805	20,207
Receivables		15	620
Trading portfolio		3,454	-
<b>Total current assets</b>		<b>12,274</b>	<b>20,827</b>
<b>Non-current assets</b>			
Deferred tax assets		103	20
Investment portfolio		499,930	372,370
<b>Total non-current assets</b>		<b>500,033</b>	<b>372,390</b>
<b>Total assets</b>		<b>512,307</b>	<b>393,217</b>
<b>Current liabilities</b>			
Payables		1,786	268
Tax payable		5,952	1,518
Options written portfolio	4	276	49
<b>Total current liabilities</b>		<b>8,014</b>	<b>1,835</b>
<b>Non-current liabilities</b>			
Deferred tax liabilities - investment portfolio	5	73,838	42,286
<b>Total non-current liabilities</b>		<b>73,838</b>	<b>42,286</b>
<b>Total liabilities</b>		<b>81,852</b>	<b>44,121</b>
<b>Net Assets</b>		<b>430,455</b>	<b>349,096</b>
<b>Shareholders' equity</b>			
Share Capital	6	211,181	209,466
Revaluation Reserve		155,474	84,032
Realised Capital Gains Reserve		40,607	35,774
Retained Profits		23,193	19,824
<b>Total shareholders' equity</b>		<b>430,455</b>	<b>349,096</b>

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

## STATEMENT OF CHANGES IN EQUITY FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

Half-Year to 31 December 2020	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
<b>Total equity at the beginning of the half-year</b>		<b>209,466</b>	<b>84,032</b>	<b>35,774</b>	<b>19,824</b>	<b>349,096</b>
Dividends paid	7	-	-	(10,447)	-	(10,447)
Shares issued - Dividend Reinvestment Plan	6	1,723	-	-	-	1,723
Share Issue Costs	6	(8)	-	-	-	(8)
<b>Total transactions with shareholders</b>		<b>1,715</b>	<b>-</b>	<b>(10,447)</b>	<b>-</b>	<b>(8,732)</b>
Profit for the half-year		-	-	-	3,369	3,369
<b>Other Comprehensive Income</b>						
Net gains for the period on equity securities in the investment portfolio		-	86,722	-	-	86,722
<b>Other Comprehensive Income for the half-year</b>		<b>-</b>	<b>86,722</b>	<b>-</b>	<b>-</b>	<b>86,722</b>
Transfer to Realised Capital Gains Reserve of net cumulative realised gains on investments		-	(15,280)	15,280	-	-
<b>Total equity at the end of the half-year</b>		<b>211,181</b>	<b>155,474</b>	<b>40,607</b>	<b>23,193</b>	<b>430,455</b>

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 2020 (CONT)

Half-Year to 31 December 2019	Note	Share Capital \$'000	Revaluation Reserve \$'000	Realised Capital Gains \$'000	Retained Profits \$'000	Total \$'000
<b>Total equity at the beginning of the half-year</b>		206,602	78,332	43,474	16,640	345,048
Dividends paid	7	-	-	(7,221)	(3,209)	(10,430)
Shares issued - Dividend Reinvestment Plan		1,921	-	-	-	1,921
Share Issue Costs		(9)	-	-	-	(9)
<b>Total transactions with shareholders</b>		<b>1,912</b>	<b>-</b>	<b>(7,221)</b>	<b>(3,209)</b>	<b>(8,518)</b>
Profit for the half-year		-	-	-	4,362	4,362
<b>Other Comprehensive Income</b>						
Net gains for the period on equity securities in the investment portfolio		-	24,504	-	-	24,504
<b>Other Comprehensive Income for the half-year</b>		<b>-</b>	<b>24,504</b>	<b>-</b>	<b>-</b>	<b>24,504</b>
Transfer to Realised Capital Gains Reserve of net cumulative realised gains on investments		-	(11,551)	11,551	-	-
<b>Total equity at the end of the half-year</b>		<b>208,514</b>	<b>91,285</b>	<b>47,804</b>	<b>17,793</b>	<b>365,396</b>

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 2020

	Half-year 2020 \$'000 INFLOWS/ (OUTFLOWS)	Half-year 2019 \$'000 INFLOWS/ (OUTFLOWS)
<b>Cash flows from operating activities</b>		
Sales from trading portfolio	6,454	4,976
Purchases for trading portfolio	(6,787)	(616)
Interest received	15	152
Proceeds from entering into options in options written portfolio	202	1,504
Payment to close out options in options written portfolio	-	(1,361)
Dividends and distributions received	3,018	4,597
	<u>2,902</u>	<u>9,252</u>
Other receipts	56	-
Finance costs	(63)	(80)
Administration expenses	(1,030)	(1,066)
Income taxes (paid)/refunded	(198)	(440)
<b>Net cash inflow/(outflow) from operating activities</b>	<b><u>1,667</u></b>	<b><u>7,666</u></b>
<b>Cash flows from investing activities</b>		
Sales from investment portfolio	38,476	56,179
Purchases for investment portfolio	(41,396)	(57,420)
Tax paid on capital gains	(1,417)	(9,760)
<b>Net cash inflow/(outflow) from investing activities</b>	<b><u>(4,337)</u></b>	<b><u>(11,001)</u></b>
<b>Cash flows from financing activities</b>		
Share issue costs	(8)	(9)
Dividends paid	(8,724)	(8,509)
<b>Net cash inflow/(outflow) from financing activities</b>	<b><u>(8,732)</u></b>	<b><u>(8,518)</u></b>
Net increase/(decrease) in cash held	(11,402)	(11,853)
Cash at the beginning of the half-year	20,207	30,453
<b>Cash at the end of the half-year</b>	<b><u>8,805</u></b>	<b><u>18,600</u></b>

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

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# NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2020

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## 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 interim 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 2020 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 2020 and 31 December 2019 were as follow

<b>Net tangible asset backing per share</b>	<b>2020</b>	<b>2019</b>
	<b>\$</b>	<b>\$</b>
Before Tax	<b>3.11</b>	<b>2.54</b>
After Tax	2.65	2.27

### (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 entities or entities that have a listing on the Australian Securities Exchange. The Company has a diversified portfolio of investments, with no investment comprising more than 10% of the Company’s revenue.

<b>3. Income from operating activities</b>	<b>Half-year 2020 \$'000</b>	<b>Half-year 2019 \$'000</b>
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Income from operating activities is comprised of the following:

Dividends & distributions		
• securities held in investment portfolio	3,262	4,596
• securities held in trading portfolio	-	-
	<u>3,262</u>	<u>4,596</u>
Interest income		
• deposits and income from bank bills	15	152
Net gains/(losses)		
• net gains from trading portfolio sales	1,595	1,359
• unrealised gains/(losses) in trading portfolio	40	-
• realised gains on options written portfolio	62	20
• unrealised gains/(losses) on options written portfolio	(88)	(103)
	<u>1,609</u>	<u>1,276</u>
Other income	56	-
<b>Income from operating activities</b>	<u><b>4,942</b></u>	<u><b>6,024</b></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 \$7.2 million (30 June 2020: \$1.0 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 \$73.8 million (30 June 2020 : \$42.3 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
01/07/2020	Opening Balance		161,607		209,466
17/08/2020	Dividend Reinvestment Plan	(i)	709	2.43	1,723
	Dividend Substitution Share Plan	(ii)	24	2.43	n/a
Various	Share Issue Costs		-		(8)
31/12/2020	Balance		<u>162,340</u>		<u>211,181</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 & Chi-X 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.

<b>7. Dividends</b>	<b>Half-year 2020 \$'000</b>	<b>Half-year 2019 \$'000</b>
Fully-franked dividends paid during the period	10,447 (6.5 cents final)	10,430 (6.5 cents final)

**Dividends not recognised at period end** **2020  
\$'000**

Since the end of the half-year the Directors have declared an interim dividend of 3.5 cents per share both fully franked. The aggregate amount of the proposed interim and special dividends expected to be paid on 16 February 2021, but not recognised as a liability at the end of the half-year is

5,682

<b>8. Earnings per Share</b>	<b>Half-year 2020 Number</b>	<b>Half-year 2019 Number</b>
Weighted average number of ordinary shares used as the denominator	162,148,230	161,054,245
<b>Basic earnings per share</b>	<b>\$'000</b>	<b>\$'000</b>
Net profit for the half-year	3,369	4,362
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share	2.08	2.71

**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 2020 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.

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## DIRECTORS' DECLARATION

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In the Directors' opinion:

- (a) the financial statements and notes set out on pages 13 to 21 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 2020 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.



T.A. Campbell AO  
Chairman  
Melbourne  
14 January 2021



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

### ***Report on the half-year financial report***

We have reviewed the accompanying half-year financial report of Mirrabooka Investments Limited (the Company) which comprises the balance sheet as at 31 December 2020, the income statement, statement of comprehensive income, statement of changes in equity and cash flow statement for the half-year ended on that date, and the notes to the financial statements and the directors' declaration.

### ***Directors' responsibility for the half-year financial report***

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

### ***Auditor's responsibility***

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian 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 Company's financial position as at 31 December 2020 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Mirrabooka Investments 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.

### ***Independence***

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

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*Conclusion*

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 Mirrabooka Investments Limited is not in accordance with the *Corporations Act 2001* including:

1. giving a true and fair view of the Company's financial position as at 31 December 2020 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*.

A handwritten signature in black ink, appearing to read 'Nadia Carlin', written over a faint horizontal line.

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Nadia Carlin'.

Nadia Carlin  
Partner

Melbourne  
14 January 2021

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