For personal use only

MIRRABOOKA
Investments Limited

Mirrabooka Investments Limited
ABN 31 085 290 928
Level 21, 101 Collins St
Melbourne VIC 3000
T 03 9650 9911
F 03 9650 9100
invest@mirra.com.au
mirra.com.au

27 August 2021

The Manager
ASX Market Announcements
Australian Securities Exchange
Exchange Centre
Level 4
20 Bridge Street
Sydney NSW 2000

Electronic Lodgement

Mirrabooka Investments Limited
Statutory Annual Report, Annual Shareholder Review and
Annual General Meeting Documentation

Dear Sir / Madam

Please find attached the 2021 Statutory Annual Report, Annual Shareholder Review, and Annual General meeting materials being sent to shareholders.

Yours faithfully

Matthew Rowe
Company Secretary

Authorised by the Company Secretary

For personal use only

Annual Report
2021



MIRRABOOKA
Investments Limited

Finding opportunities
in small and medium-sized
companies

For personal use only

MIRRABOOKA IS A LISTED INVESTMENT COMPANY SPECIALISING IN INVESTING IN SMALL AND MEDIUM-SIZED COMPANIES LOCATED WITHIN AUSTRALIA AND NEW ZEALAND. OUR GENERAL DEFINITION OF SMALL AND MEDIUM-SIZED COMPANIES IS THOSE COMPANIES WHICH FALL OUTSIDE THE S&P/ASX 50 LEADERS INDEX.

Contents

2 DIRECTORS' REPORT

2 5 Year Summary
4 About the Company
6 Review of Operations and Activities
13 Top 20 Investments
14 Board Members
17 Senior Executives
18 Remuneration Report
21 Non-audit Services
22 Auditor's Independence Declaration

23 FINANCIAL STATEMENTS

24 Income Statement
25 Statement of Comprehensive Income
26 Balance Sheet
27 Statement of Changes in Equity
28 Cash Flow Statement

29 NOTES TO THE FINANCIAL STATEMENTS

29 A. Understanding Mirrabooka's Financial Performance
32 B. Costs, Tax and Risk
36 C. Unrecognised Items
37 D. Balance Sheet Reconciliations
39 E. Income Statement Reconciliations
40 F. Further Information

43 DIRECTORS' DECLARATION

44 INDEPENDENT AUDIT REPORT

49 OTHER INFORMATION

49 Information About Shareholders
49 Major Shareholders
50 Sub-underwriting
50 Substantial Shareholders
50 Transactions in Securities
51 Major Transactions in the Investment Portfolio
52 Holdings of Securities
55 Issues of Securities
56 Company Particulars
57 Shareholder Information

Year in Summary

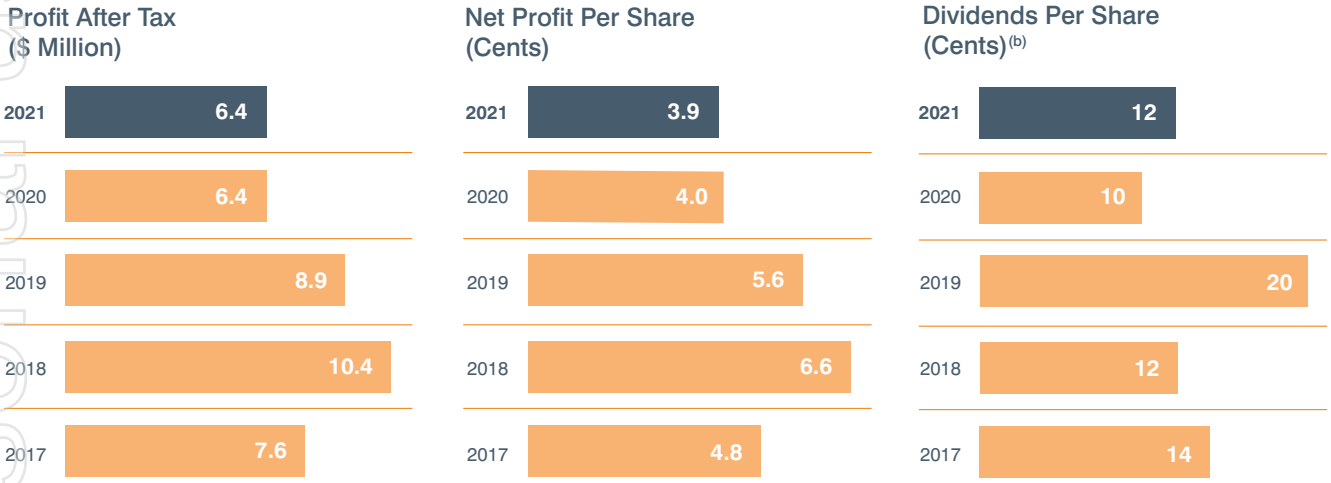
For personal use only

	2021		
Profit for the Year	$6.4m		$6.4 million in 2020
Total Fully Franked Dividend	6.5¢ Final 2.0¢ Special	12¢ Total	10 cents total in 2020
Total Portfolio Return	50.9% Including franking*		Combined S&P/ASX Small and Mid Cap 50 Accumulation Index including franking* 35.2%
Total Shareholder Return	61.6%		Share price plus dividend including franking*
Management Expense Ratio	0.50%		0.63% in 2020
Total Portfolio	$618.0m		Including cash at 30 June. $392.5 million in 2020

* Assumes a shareholder can take full advantage of the franking credits.

For personal use only

5 Year Summary



Notes

(a) Includes cash.

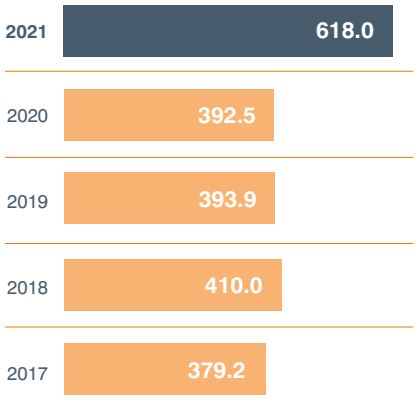
(b) All dividends, including special dividends, were fully franked.

(c) Net asset backing per share based on year-end data before the provision for the final dividend. The figures do not include a provision for capital gains tax that would apply if all securities held as non-current investments had been sold at balance date as Directors do not intend to dispose of the portfolio.

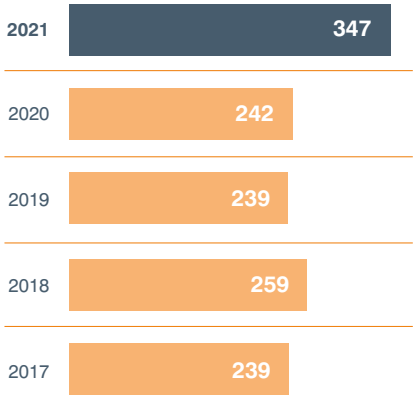


For personal use only

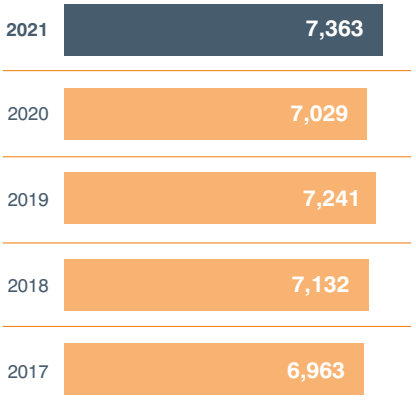
Investments at Market Value ($ Million)[a]



Net Asset Backing Per Share (Cents)[c]



Number of Shareholders (30 June)





About the Company

Mirrabooka is a listed investment company specialising in investing in small and medium-sized companies located within Australia and New Zealand. Our general definition of small and medium-sized companies is those companies which fall outside the S&P/ASX 50 Leaders Index.

Investment Objectives

The Company aims to provide medium to long term investment gains through holding core investments in selected small and mid-sized companies.	To provide attractive fully franked dividend returns.

What We Look For When Investing

Business Quality

Attractive, sustainable return on capital prospects

No impediments to continued growth

Financial Strength

Balance sheet providing resilience and reinvestment potential

Returns supported by cash flow

Management

Act like a substantial shareholder, and often are

Experienced, effective, passionate

Approach to Managing the Portfolio

Buy with a medium to long term view	Holdings often grow with increased conviction or price dips	Monitor holdings for excessive valuations to manage risk
Pay fair value for quality, wary of overpaying	Sell when investment case adversely changes	Maintain a spread of holdings; enhancing consistency of returns

Approach to Environmental, Social and Governance (ESG) issues When investing

Assessment of Environmental, Social and Governance (ESG) issues is an important part of our investment process. As a long term investor, we seek to invest in companies that have strong governance and risk management processes, which includes consideration of environmental and social risks. We regularly review companies to ensure ongoing alignment with our investment framework:

- We believe environmental factors, including the impact of climate change, can have a material impact on society. These factors are considered when assessing a company's assets, long term sustainability of earnings and cash flow, cost of capital and future growth opportunities.
- We believe that aligning ourselves with high-quality management and boards building sustainable long term businesses

For personal use only



For personal use only

is the best approach to avoiding socially harmful businesses. We are attracted to companies that act in the best interest of all their stakeholders, including their employees, customers, suppliers, and wider communities.

- We invest in high-quality companies with strong governance processes, and management and boards whose interests are closely aligned with shareholders. The investment process includes an assessment of their past performance, history of capital allocation, level of accountability, mix of skills, relevant experience and succession planning. We also closely scrutinise a company's degree of transparency and disclosure.

Engagement with Companies

Voting on resolutions is one of the key functions that a shareholder has in ensuring better long term returns and management of investment risk:

- We take input from proxy advisers but conduct our own evaluation of the merits of any resolution.
- We vote on all Company resolutions as part of our regular engagement with the companies in the portfolio.
- We actively engage with companies when we have concerns those resolutions are not aligned with shareholders' interests.

We acknowledge that high-quality companies may face ESG challenges from time to time. We seek to stay engaged with the companies and satisfy ourselves that the issues are taken seriously and worked through constructively. Ideally, in this instance, we seek to remain invested to influence a satisfactory outcome for stakeholders.

For personal use only

Profit and Dividend

The full year profit was $6.4 million, in line with the result last year. The fall in the contribution from investment income, as companies reduced or suspended dividend payments, was offset by an improved contribution from the trading portfolio.

Adjustments made to the portfolio through the period, reflecting the increased valuation risk in several holdings following very strong recent performance, produced realised gains after tax of $29.3 million. In the corresponding period last year realised gains after tax were $5.2 million.

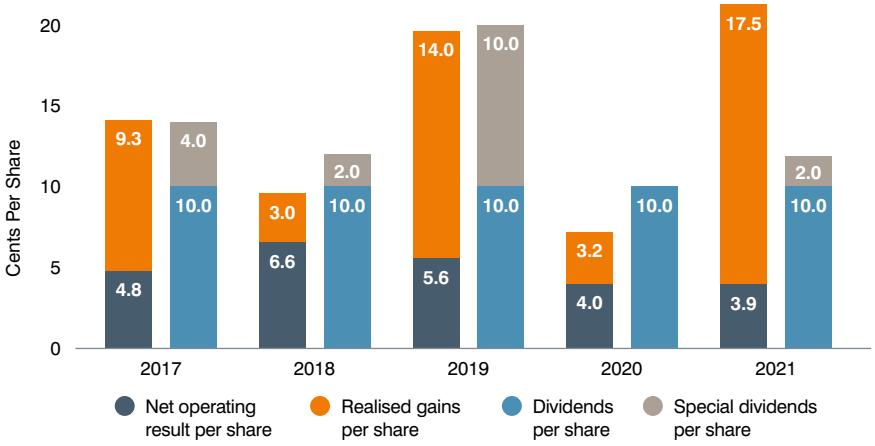
The Company maintained the final dividend at 6.5 cents per share fully franked. A special fully franked dividend of 2.0 cents per share has also been declared following the strong realised capital gains for the year. This brings total dividends for the year to 12.0 cents per share, fully franked versus 10 cents per share fully franked last year. Shares issued under the Share Purchase Plan in February 2021 are entitled to 50 per cent of the total final dividend, which is 4.25 cents per share fully franked.

The entire 6.5 cents of the final dividend and the 2.0 cents special 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 12.14 cents. This enables some shareholders to claim a tax deduction in their tax return. Further details are on the dividend statement.

Market and Portfolio Returns

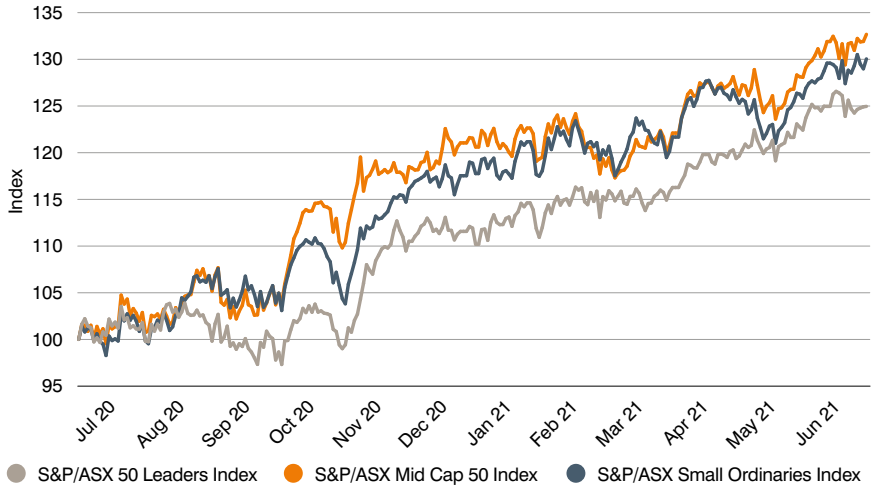
Despite the ongoing presence of COVID-19 and its impact on society and businesses over the financial year, the market produced very significant returns as investors continued to respond to very low interest rates and better than expected company profit results.

Figure 1: Earnings Per Share and Dividends Per Share



Note: For 2021, dividends carried an LIC capital gain attributable part of 12.14 cents per share. For 2020 it was 9.29 cents per share, for 2019 it was 20.72 cents, for 2018 it was 9.66 cents, and for 2017 it was 12.9 cents.

Figure 2: Performance of Small and Mid Cap Sectors Versus 50 Leaders – Year to 30 June 2021



Source: FactSet

The 12-month portfolio return for Mirrabooka including franking of 50.9 per cent, was well ahead of the combined Small and Mid Cap 50 benchmark return over the corresponding period, including franking, of 35.2 per cent. The outperformance over both the short and long term is a very pleasing result, and further highlights the resilience of our investment approach.

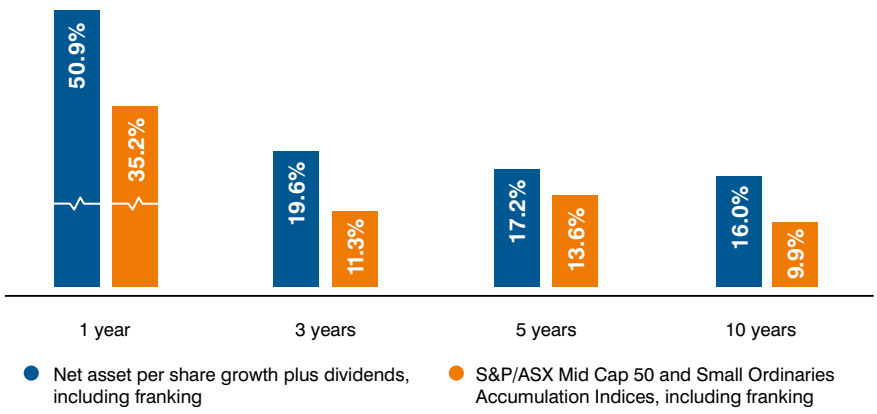
Mirrabooka's performance was driven by both the strength and consistency of returns across many large holdings in the portfolio. Large portfolio holdings that experienced a return of greater than 90 per cent for the year included ARB Corporation, Objective Corporation, Reece, Mainfreight, HUB24, Pinnacle Investment Management Group, Netwealth, AP Eagers and ALS.

For personal use only

These are all long-standing positions in the portfolio and the performance is a testament to our patient approach of investing in what we asses as quality companies for the long term.

Over the 10 years to 30 June 2021 Mirrabooka has returned 16.0 per cent per annum, including the benefit of franking, whereas its benchmark has returned 9.9 per cent per annum, including franking. For an investor reinvesting both dividends and the full benefit of franking credits, $10,000 invested in the Mirrabooka portfolio 10 years ago would be worth $40,411, 72 per cent higher than the $20,570 outcome for an equivalent investment in the benchmark small and mid-cap indices.

Figure 3: Portfolio Return Percentage Per Year to 30 June 2021 – Including the Benefit of Franking



Figures assume an investor can take full advantage of the franking credits. Past performance is not indicative of future performance.



For personal use only

The tax paid on realised gains can impact relative performance figures against the Index which does not have this impost. The inclusion of the benefit of franking credits attached to the dividend distributed to shareholders is one way of redressing this.

Figure 4 outlines the cumulative return of Mirrabooka's portfolio relative to its Small Ordinaries and Mid Cap 50 benchmark over a 10-year period (includes the reinvestment of dividends and full benefit of franking). It is also interesting to note that Mirrabooka has also outperformed the broader S&P/ASX 200 Accumulation Index over this period.

Portfolio Changes

Positive equity market sentiment, increased profit growth expectations and, in some cases, inclusion in market indices have been forces that have combined with strong business performance in driving many of our holdings to all-time high share prices. This has led to several instances where we saw heightened valuation risk associated with these holdings. In this context, a number of positions were trimmed, with the largest reductions being in Objective Corporation, Reece and HUB24. The other material sales were the partial disposal of Qube Holdings and the complete disposal of Brickworks.

Figure 4: Growth in the Portfolio (Including Benefit of Franking) – 10 Years to 30 June 2021

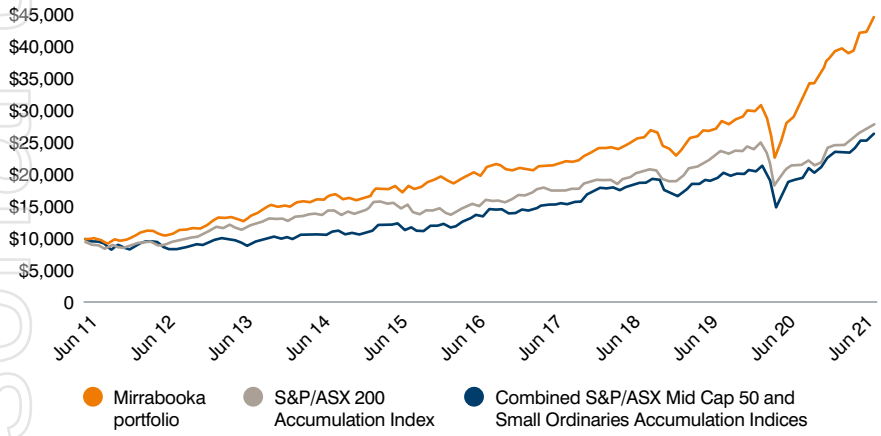
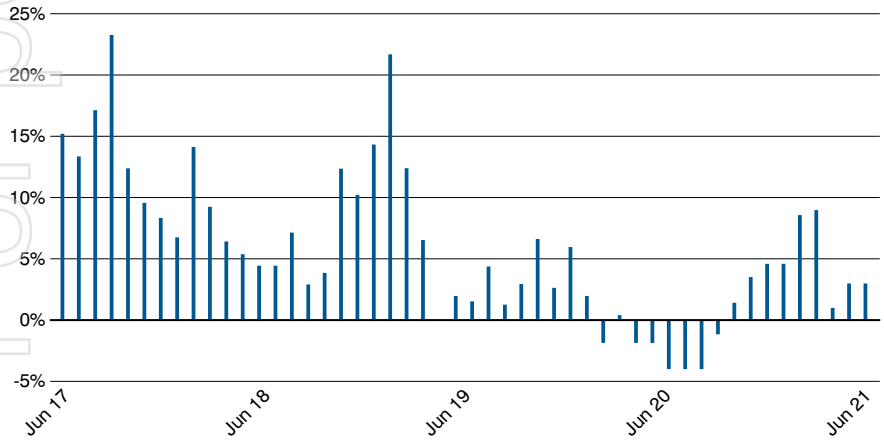


Figure 5: Share Price Discount/Premium to Net Asset Backing



For personal use only

Funds from these sales and the successful Share Purchase Plan in February 2021 were deployed across a number of companies where opportunities looked more attractive at the time. This included NIB Holdings, Corporate Travel Management (both of which are new to the portfolio this year), FINEOS Corporation and IRESS. A feature of the market in the second half of the financial year was the re-emergence of the IPO market and capital raisings.

In this regard, Mirrabooka participated in the IPO of PEXA Group, which was the largest addition to the portfolio for the year. While the pricing reflected the strong market conditions, the company appears well positioned as a long term investment. The other high-profile IPO that Mirrabooka participated in was Nuix. However, this position was sold relatively quickly without loss following signs that it would not meet our initial expectations.



For personal use only

Share Price Performance

At 30 June 2021, the share price was trading at a premium of 3 per cent to the net asset backing per share, compared with a discount of 4 per cent at the beginning of the financial year. The recent history is shown in Figure 5.

Figure 6 outlines the long term view of Mirrabooka's share price return (including the reinvestment of dividends and full benefit of franking) versus the return from the combined Small Ordinaries and Mid Cap 50 Accumulation Indices.

Opportunities to Invest

As evidenced through the financial year, despite markets reaching new highs with stretched valuations (Figures 7 and 8), good investment opportunities can present themselves as some stocks temporarily fall out of favour against the background of more speculative parts of the market attracting more interest.

In this context, the cash position at 30 June 2021 of $27.8 million, or 4.5 per cent of the portfolio, provides flexibility moving into the new financial year should there be any adjustments in what we see as a generally fully priced market.

Figure 6: Growth in Investment in Mirrabooka Shares (Including Benefit of Franking) – 10 Years to 30 June 2021

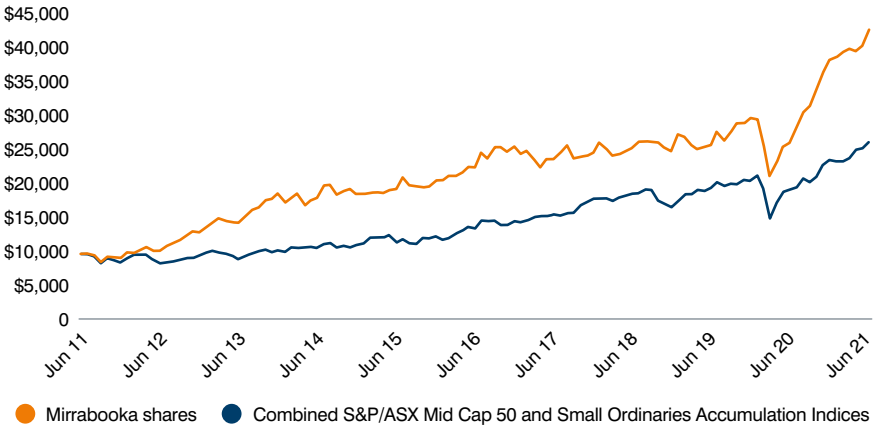
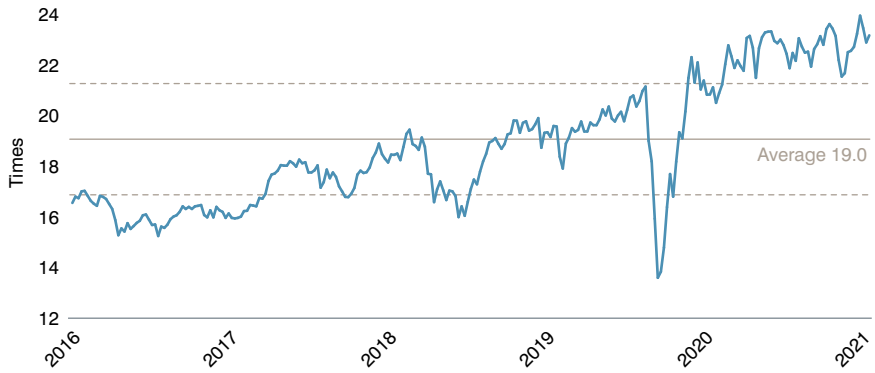
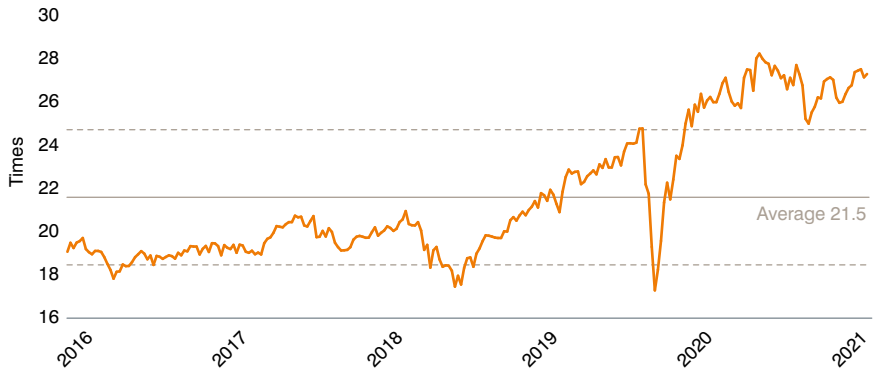


Figure 7: Price Earnings Ratio – Small Ordinaries Industrials



Source: FactSet

Figure 8: Price Earnings Ratio – Mid Cap 50 Industrials



Source: FactSet

For personal use only

Capital Changes

As a result of the reinvestment of dividends, 709,023 shares were issued in August 2020 at a price of $2.43 per share and 300,696 shares were issued in February 2021 at a price of $3.19.

Under the Company's Dividend Substitution Share Plan, 23,666 new shares were issued at nil cost in August 2020 and 11,878 new shares were issued at nil cost in February 2021.

The Company also had a Share Purchase Plan (SPP) during the year. 12,541,682 new SPP shares were issued at a price of $3.10 under the code MIRNA. The new SPP shares are entitled to 50 per cent of the final and special dividend that was declared in respect of the financial year ending 30 June 2021 and converted to Ordinary shares following the ex-date of 28 July 2021.

The Company's contributed equity, net of share issue costs, rose $41.4 million to $250.9 million from $209.5 million. At the close of the year the Company had 175.2 million shares on issue.

Dividends

A final fully franked dividend of 6.5 cents per share and a special dividend of 2.0 cents, also fully franked, has been declared. Last year, the final dividend was 6.5 cents with no special dividend.

The dividends paid during the year ended 30 June 2021 were as follows:

	$'000
Final dividend for the year ended 30 June 2020 of 6.5 cents fully franked at 30 per cent paid 17 August 2020	10,447
Interim dividend for the year ended 30 June 2021 of 3.5 cents per share fully franked at 30 per cent paid 16 February 2021	5,644
	16,091

Financial Condition

The Company's financing consists primarily of shareholders' funds. It has access to bank facilities of $10 million, which were utilised during the year.

Likely Developments

The Company intends to continue its' investment activities in future years as it has done since inception. The results of these investment activities will depend upon the performance of the companies and securities in which we invest. Their performance in turn depends on many economic factors. These include economic growth rates, inflation, interest rates, exchange rates and taxation levels. There are also industry and company specific issues such as management competence, capital strength, industry economics and competitive behaviour and their approach to, and management of, material Environmental, Social and Governance (ESG) risks.

We do not believe it is possible or appropriate to make a prediction on the future course of markets or the performance of our investments. Accordingly, we do not provide a forecast of the likely results of our activities. However, the Company's focus is on providing medium to long term investment gains through holding core investments in selected small and medium size companies and providing attractive dividend returns to shareholders from these investments.



Review of Operations and Activities

continued

Significant Changes in the State of Affairs

Directors are not aware of any other significant changes in the operations of the Company or the environment in which it operates that will adversely affect the results in subsequent years.

Events Since Balance Date

The Directors are not aware of any other matter or circumstance not otherwise disclosed in the financial statements or the Directors' Report which has arisen since the end of the financial year that has affected or may affect the operations, or the results of those operations, or the state of affairs of the Company in subsequent financial years.

Environmental Regulations

The Company's operations are such that they are not materially affected by environmental regulations.

Rounding of Amounts

The Company is of the 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.



For personal use only

Top 20 Investments

As at 30 June 2021

Includes investments held in both the investment and trading portfolios.

Valued at Closing Prices at 30 June 2021

		Total Value $ Million	% of the Portfolio
1	Mainfreight	35.8	6.1
2	ARB Corporation	30.3	5.1
3	Macquarie Telecom Group	24.5	4.1
4	Reece	21.5	3.6
5	IRESS	19.9	3.4
6	Breville Group	17.9	3.0
7	Netwealth Group	16.8	2.9
8	AUB Group	15.9	2.7
9	Objective Corporation	15.6	2.6
10	James Hardie Industries	15.4	2.6
11	Carsales.com*	14.8	2.5
12	Pinnacle Investment Management Group	14.7	2.5
13	ResMed	14.3	2.4
14	Seek	14.2	2.4
15	NEXTDC	14.0	2.4
16	ALS	13.0	2.2
17	FINEOS Corporation Holdings	12.3	2.1
18	Fisher & Paykel Healthcare Corporation	12.0	2.0
19	Ansell	11.9	2.0
20	InvoCare	11.8	2.0
Total		346.5	

As percentage of total portfolio value (excludes cash) **58.7%**

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

For personal use only

Board Members



Terrence A Campbell AO

Chairman and Independent Non-Executive Director

BCom (Melb)

Chairman of the Investment Committee.

Mr Campbell has been a Director of the Company since December 1998. He is Chairman Emeritus of Goldman Sachs Australia (formerly Goldman Sachs JBWere). Mr Campbell was formerly Chairman and Chief Executive of Goldman Sachs JBWere. He is a former Chairman of Australian Foundation Investment Company Limited (AFIC) and AMCIL Limited and a former Director of Djerriwarrh Investments Limited.



Mark Freeman BE

Managing Director

MBA, Grad Dip App Fin (Sec Inst), AMP (INSEAD)

Member of the Investment Committee.

Mr Freeman was appointed as Managing Director in January 2018 having been Chief Investment Officer since joining the Company in February 2007. Prior to this he was a Partner with Goldman Sachs JBWere where he spent 12 years advising the investment companies on their investment and dealing activities. He has a deep knowledge and experience of investments markets and the Company's approaches, policies and processes. He is also Managing Director of AFIC, Djerriwarrh Investments Limited and AMCIL Limited.



Ian A Campbell

Independent Non-Executive Director

FAICD

Member of the Audit and Investment Committees.

Mr Campbell is a company Director who was appointed a Director of the Company in November 2007. He is a Non-Executive Director and Chairman of BWX Limited. He joined Energy Technologies Ltd as a Non-Executive Director in December 2020. He was formerly Managing Director of GUD Holdings Limited. He was also formerly Managing Director of Pacific Dunlop Cables Group.



Jacinth Fairley

Independent Non-Executive Director

BSc, BVSc (Hons), MBA, FTSE, GAICD

Member of the Audit Committee.

Dr Fairley was appointed a Director of the Company in February 2018. She is currently the Chief Executive Officer of ASX-listed Starpharma Holdings Ltd, having held this position since 2006. Dr Fairley has more than 30 years of operational experience in the pharmaceutical and biotechnology industries working in senior management roles with companies including CSL and Faulding (now Pfizer). Dr Fairley is also Chair of the Invest Victoria Advisory Board and an advisor to the Carnegie Innovation Fund.

Dr Fairley is a past member of the Melbourne Business School Board, Australian Federal Government's Commonwealth Science Council and Pharmaceutical Industry Working Group and the Australian Federal Ministerial Biotechnology Advisory Council.

For personal use only

For personal use only



Antoinette Kimmitt AM

Independent Non-Executive Director

BBus(Acc), FCA

Member of the Audit and Investment Committees.

Ms Kimmitt joined the Board in January 2021. Her executive career has included a range of senior roles with MinterEllison, Ernst & Young and the International Accounting Standards Board (IASB). She joined the IASB at its inception in 2001 and is one of the founding developers of International Financial Reporting Standards (IFRS). She is also a Non-Executive Director of Trawalla Group.

Ms Kimmitt has been a Non-Executive Director and Chair of the Finance, Audit and Risk Committee of the Melbourne Business School since 2010. She was appointed in 2019 as a member of the University of Melbourne's Faculty of Business and Economics Board, and in 2020 joined Monash University's Industry Council of Advisors. She was a member of the Business Council of Australia's Economic Policy and Competitiveness Committee between 2018 and 2021.



David E Meiklejohn AM

Independent Non-Executive Director

BCom, Dip Ed, FCPA, FAIM, FAICD

Chairman of the Audit Committee. Member of the Investment Committee.

Mr Meiklejohn was appointed a Director of the Company in March 2006. He is a former Chairman of PaperlinX Limited, SPC Ardmona Limited, a former Deputy Chairman of GasNet Australia Limited, a former President of the Melbourne Cricket Club, a former Director of WMC Resources Limited, Coca-Cola Amatil Limited, One Steel Limited and ANZ Banking Group Limited. He was formerly Chief Financial Officer and a Director of Amcor Limited.



Greg Richards

Independent Non-Executive Director

B.EC (Hons)

Member of the Investment Committee.

Mr Richards recently retired from the board of JB Hi-Fi Limited after being a Non-Executive Director for 12 years including eight years as Non-Executive Chairman. He was also Chair of the JB Hi-Fi Remuneration Committee. Mr Richards has over 25 years experience in the investment banking industry, with 19 years at JBWere and Goldman Sachs JBWere, where he was an equity partner for 17 years, working primarily in equity capital markets. Mr Richards was previously Non-Executive Chairman of Vitaco Holdings Limited.

Meetings of Directors

The number of meetings of the Company's Board of Directors and of each Board Committee held during the year ended 30 June 2021 and the numbers of meetings attended by each Director were:

	Board		Investment		Audit	
	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended
TA Campbell	12	12	19	19	-	4#
M Freeman	12	12	19	18	-	4#
RE Barker*	7	7	9	9	3	3
IA Campbell	12	11	19	16	4	4
JK Fairley	12	12	-	17#	4	4
DE Meiklejohn	12	12	19	18	4	4
AA Kimmitt**	6	6	9	10^	1	2^^
GW Richards**	6	6	9	10^	-	2#

* RE Barker retired from the Board on 31 January 2021.

** AA Kimmitt and GW Richards were appointed to the Board on 1 January 2021.

^ AA Kimmitt and GW Richards were appointed to the Investment Committee on 18 February 2021.

^^ AA Kimmitt was appointed to the Audit Committee on 18 February 2021.

\# Attended meetings by invitation.

Retirement, Election and Continuation in Office of Directors

Dr Jacinth Fairley, having been elected by shareholders at the 2018 Annual General Meeting (AGM), will retire and being eligible, will offer herself for re-election at the forthcoming 2021 AGM. Ms Antoinette Kimmitt AM and Mr Greg Richards were both appointed in January 2021 and will offer themselves for election at the forthcoming 2021 AGM.

Insurance of Directors and Officers

During the financial year the Company paid insurance premiums for Directors' and officers' liability insurance covering Directors named in this report. The terms of the insurance contract restrict disclosure of further details.

For personal use only

Senior Executives



Geoffrey N Driver

General Manager, Business Development and Investor Relations

B Ec, Grad Dip Finance, MAICD

Mr Driver joined the Company in January 2003. Previously, he was with National Australia Bank Ltd for 18 years in various roles covering business strategy, marketing, distribution, investor relations and business operations. Mr Driver was formerly Chairman of Trust for Nature (Victoria).



Andrew JB Porter

Chief Financial Officer

MA (Hons) (St And), FCA, MAICD

Mr Porter joined the Company in January 2005. He is a Chartered Accountant and has had over 24 years' experience in accounting and financial management both in the United Kingdom with Andersen Consulting and Credit Suisse First Boston, and in Australia where he was Regional Chief Operating Officer for the Corporate and Investment Banking Division of CSFB. He is the immediate former Chair of The Group of 100 (G100), the peak body for CFOs and remains on the Board, is a Director of the Auditing and Assurance Standards Board (AUASB) and a Director of the Anglican Foundation.



Matthew Rowe

Company Secretary

BA (Hons), MSc Corp Gov, FGIA, FCIS

Mr Rowe joined the Company in July 2016. He is a Chartered Secretary with over 15 years of experience in corporate governance with a particular focus in listed investment companies. He was previously a corporate governance advisor at a professional services firm which included acting as Company Secretary for three ASX listed companies. Prior to that Mr Rowe was the Company Secretarial Manager for a funds management company based in the United Kingdom.

For personal use only

Remuneration Report

Directors of the Company, meeting as a Board, determine the fees of Directors within the aggregate limit established by shareholders in general meeting.

(a) Principles Used to Determine Nature and Amount of Remuneration

The constitution of Mirrabooka requires approval by the shareholders in general meeting of a maximum amount of remuneration to be allocated between Non-Executive Directors as they determine. In proposing the maximum amount for consideration in general meeting, and in determining the allocation, the Board takes account of the time demands made on Directors, together with such factors as the general level of fees paid to Australian corporate Directors. The amount of remuneration for each Director excludes amounts owing when the Directors' retirement allowances were frozen at 30 June 2004. The maximum amount of remuneration for Non-Executive Directors approved by shareholders at the Annual General Meeting in 2018 was $600,000.

Directors hold office until such time as they retire, resign or are removed from office under the terms set out in the constitution of the Company.

Mirrabooka does not pay any performance-based remuneration. Mr Freeman is made available as Managing Director of Mirrabooka by Australian Investment Company Services Ltd (AICS). As part of his remuneration arrangements with AICS, Mr Freeman receives an 'at risk' component which is based on performance, as do other Executives. The performance criteria include quantitative and qualitative assessments which include, amongst other things, the services that he has provided to Mirrabooka and for which AICS is paid.

(b) Remuneration of Directors

Details of the nature and amounts of each Director's remuneration in respect of the year to 30 June 2021 were as follows:

	Primary	Post-employment	Total
	Fee $	Superannuation $	Remuneration $
TA Campbell – Chairman (Non-Executive)			
2021	**136,987**	**13,013**	**150,000**
2020	136,987	13,013	150,000
RE Barker (Non-Executive) retired 31 January 2021			
2021	**39,954**	**3,796**	**43,750**
2020	68,493	6,507	75,000
IA Campbell (Non-Executive)			
2021	**68,493**	**6,507**	**75,000**
2020	68,493	6,507	75,000
JK Fairley (Non-Executive)			
2021	**68,493**	**6,507**	**75,000**
2020	68,493	6,507	75,000
M Freeman (Executive)			
2021	**-**	**-**	**-**
2020	-	-	-
AA Kimmitt (Non-Executive) appointed 1 January 2021			
2021	**34,257**	**3,253**	**37,510**
DE Meiklejohn (Non-Executive)			
2021	**68,493**	**6,507**	**75,000**
2020	68,493	6,507	75,000
GW Richards (Non-Executive) appointed 1 January 2021			
2021	**34,257**	**3,253**	**37,510**
Total remuneration: Directors			
2021	**450,934**	**42,836**	**493,770**
2020	**410,959**	**39,041**	**450,000**

For personal use only

(c) Directors' Retirement Allowances

The Board proposed and shareholders approved discontinuing the practice of paying Directors' retirement allowances.

The Directors' retirement allowance provided in past years was equal to the total emoluments that the Director received in the three years immediately preceding retirement where a Director had held office for five or more years and a proportionate part for less than five years' service.

For Directors in office at 30 June 2004, the amounts accrued as at that date will be paid to them upon their ultimate retirement. No further accruals of Directors' retiring allowances will be made after 30 June 2004. New Directors appointed to the Company after that date will not be entitled to any Directors' retirement allowance.

The amounts payable to the respective current Directors who were in office at 30 June 2004, which will be paid when they retire, are set out below. These amounts were expensed in prior years as the retirement allowances accrued. During the year, the accrued retirement allowance of $87,000 was paid to RE Barker.

	Amount Payable on Retirement $
TA Campbell	174,000

(d) Executives

Executives are officers who are involved in, concerned with, or who take part in the management of the affairs of the Company.

The Company has four Executives: M Freeman, Managing Director; GN Driver, General Manager – Business Development and Investor Relations; AJB Porter, Chief Financial Officer; and MJ Rowe who is Company Secretary (2020: four Executives).

No remuneration is paid to the Executives directly by Mirrabooka as their services are provided pursuant to the arrangement with AICS described in the financial statements.

Holdings of Securities Issued by the Company

As at 30 June 2021, Directors and Executives who hold stock units issued by the Company for their own benefit or who have an interest in holdings in the name of another party and the total number of such securities are as follows:

MIR Ordinary Shares	Balance at 1 July 2020	Net Changes	Balance at 30 June 2021
TA Campbell	2,827,755	92,247	2,920,002
RE Barker	599,130	n/a	n/a
IA Campbell	95,324	3,624	98,948
JK Fairley	18,663	709	19,372
M Freeman	209,650	3,670	213,320
AA Kimmitt	n/a	15,320	15,320
DE Meiklejohn	149,779	-	149,779
GW Richards	n/a	22,511	22,511
GN Driver	59,320	-	59,320
AJB Porter	21,649	822	22,471
MJ Rowe	3,756	142	3,898

For personal use only

MIRNA Shares	Balance at 1 July 2020	Net Changes	Balance at 30 June 2021
TA Campbell	n/a	19,354	19,354
RE Barker	n/a	n/a	n/a
IA Campbell	n/a	4,838	4,838
JK Fairley	n/a	9,677	9,677
M Freeman	n/a	9,677	9,677
AA Kimmitt	n/a	-	-
DE Meiklejohn	n/a	9,677	9,677
GW Richards	n/a	-	-
GN Driver	n/a	3,225	3,225
AJB Porter	n/a	322	322
MJ Rowe	n/a	1,290	1,290

In accordance with the Company's policy, no Mirrabooka shares held by Directors or Executives are held subject to margin loans.

No remuneration is paid to the Executives directly by Mirrabooka as their services are provided pursuant to an arrangement with AICS as outlined in the Notes to the Financial Statements. However, all Executives were required to purchase Mirrabooka shares as part of their Annual Incentive Plans.

For personal use only

Non-audit Services

Details of non-audit services performed by the auditors may be found in Note F2 of the Financial Report.

The Board of Directors has considered the position and, in accordance with the advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit Committee to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in the *Corporations Act 2001* including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Company, acting as advocate for the Company, or jointly sharing economic risk and rewards.

A copy of the Auditor's Independence Declaration is set out on page 22.

This report in relation to the financial year to 30 June 2021 is presented by the Directors of the Company in accordance with a resolution of Directors.



Terrence Campbell AO
Chairman

Melbourne
5 August 2021

For personal use only

For personal use only

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Mirrabooka Investments Limited for the year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been:

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

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

Nadia Carlin
Partner
PricewaterhouseCoopers

Melbourne
5 August 2021

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

Liability limited by a scheme approved under Professional Standards Legislation.

FINANCIAL STATEMENTS

For personal use only

23 FINANCIAL STATEMENTS

24 Income Statement

25 Statement of Comprehensive Income

26 Balance Sheet

27 Statement of Changes in Equity

28 Cash Flow Statement

29 NOTES TO THE FINANCIAL STATEMENTS

29 **A. Understanding Mirrabooka's Financial Performance**

29 A1. How Mirrabooka Manages Its Capital

29 A2. Investments Held and How They Are Measured

30 A3. Operating Income

31 A4. Dividends Paid

32 A5. Earnings Per Share

32 **B. Costs, Tax and Risk**

32 B1. Management Costs

33 B2. Tax

34 B3. Risk

36 **C. Unrecognised Items**

36 C1. Contingencies

37 **D. Balance Sheet Reconciliations**

37 D1. Current Assets – Cash

37 D2. Revaluation Reserve

37 D3. Realised Capital Gains Reserve

38 D4. Retained Profits

38 D5. Share Capital

39 **E. Income Statement Reconciliations**

39 E1. Reconciliation of Net Cash Flows From Operating Activities to Profit

39 E2. Tax Reconciliations

40 **F. Further Information**

40 F1. Related Parties

40 F2. Remuneration of Auditors

41 F3. Segment Reporting

42 F4. Summary of Other Accounting Policies

Income Statement

For the Year Ended 30 June 2021

	Note	2021 $'000	2020 $'000
Dividends and distributions	A3	7,026	7,530
Revenue from deposits and bank bills		18	209
Other revenue		60	60
Total revenue		**7,104**	**7,799**
Net gains on trading portfolio		2,368	1,824
Income from options written portfolio		378	(75)
Income from operating activities		**9,850**	**9,548**
Borrowing expenses		(118)	(122)
Administration expenses	B1	(2,519)	(2,452)
Profit for the year before income tax		**7,213**	**6,974**
Income tax expense	B2, E2	(773)	(581)
Profit for the year		**6,440**	**6,393**
		Cents	Cents
Basic earnings per share	A5	3.86	3.96

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

For personal use only

Statement of Comprehensive Income

For the Year Ended 30 June 2021

	Year to 30 June 2021			Year to 30 June 2020		
	Revenue[1] $'000	Capital[1] $'000	Total $'000	Revenue[1] $'000	Capital[1] $'000	Total $'000
Profit for the year	**6,440**	**-**	**6,440**	**6,393**	**-**	**6,393**
Other comprehensive income						
Gains for the period on securities	-	195,486	**195,486**	-	15,533	**15,533**
Tax on above	-	(58,643)	**(58,643)**	-	(4,669)	**(4,669)**
Total other comprehensive income	**-**	**136,843**	**136,843**	**-**	**10,864**	**10,864**
Total comprehensive income	**6,440**	**136,843**	**143,283**	**6,393**	**10,864**	**17,257**

1. 'Capital' includes realised or unrealised gains or losses on securities in the investment portfolio, and the relevant taxation charge/credit. Income in the form of distributions and dividends is recorded as 'revenue'. All other items, including expenses, are included in 'profit for the year', which is categorised under 'revenue'.

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.

For personal use only

Balance Sheet

As at 30 June 2021

	Note	2021 $'000	2020 $'000
Current assets			
Cash	D1	27,826	20,207
Receivables		362	620
Trading portfolio		3,650	-
Total current assets		**31,838**	**20,827**
Non-current assets			
Deferred tax assets	E2	6	20
Investment portfolio	A2	586,598	372,370
Total non-current assets		**586,604**	**372,390**
Total assets		**618,442**	**393,217**
Current liabilities			
Payables		181	268
Tax payable		10,465	1,518
Options sold		41	49
Total current liabilities		**10,687**	**1,835**
Non-current liabilities			
Deferred tax liabilities – investment portfolio	B2	89,985	42,286
Total non-current liabilities		**89,985**	**42,286**
Total liabilities		**100,672**	**44,121**
Net assets		**517,770**	**349,096**
Shareholders' equity			
Share capital	A1, D5	250,948	209,466
Revaluation reserve	A1, D2	191,540	84,032
Realised capital gains reserve	A1, D3	49,018	35,774
Retained profits	A1, D4	26,264	19,824
Total shareholders' equity		**517,770**	**349,096**

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

For personal use only

Statement of Changes in Equity

For the Year Ended 30 June 2021

Year Ended 30 June 2021	Note	Share Capital $'000	Revaluation Reserve $'000	Realised Capital Gains Reserve $'000	Retained Profits $'000	Total $'000
Total equity at the beginning of the year		**209,466**	**84,032**	**35,774**	**19,824**	**349,096**
Dividends paid	A4	-	-	(16,091)	-	**(16,091)**
Shares issued under Dividend Reinvestment Plan	D5	2,682	-	-	-	**2,682**
Shares issued under Share Purchase Plan	D5	38,879	-	-	-	**38,879**
Other share capital adjustments		(79)	-	-	-	**(79)**
Total transactions with shareholders		**41,482**	**-**	**(16,091)**	**-**	**25,391**
Profit for the year		-	-	-	6,440	**6,440**
Other comprehensive income (net of tax)						
Net gains for the period		-	136,843	-	-	**136,843**
Other comprehensive income for the year		-	136,843	-	-	**136,843**
Transfer to realised capital gains of cumulative gains on investments sold		-	(29,335)	29,335	-	**-**
Total equity at the end of the year		**250,948**	**191,540**	**49,018**	**26,264**	**517,770**

Year Ended 30 June 2020	Note	Share Capital $'000	Revaluation Reserve $'000	Realised Capital Gains Reserve $'000	Retained Profits $'000	Total $'000
Total equity at the beginning of the year		**206,602**	**78,332**	**43,474**	**16,640**	**345,048**
Dividends paid	A4	-	-	(12,864)	(3,209)	**(16,073)**
Shares issued under Dividend Reinvestment Plan	D5	2,879	-	-	-	**2,879**
Other share capital adjustments		(15)	-	-	-	**(15)**
Total transactions with shareholders		**2,864**	**-**	**(12,864)**	**(3,209)**	**(13,209)**
Profit for the year		-	-	-	6,393	**6,393**
Other comprehensive income (net of tax)						
Net gains for the period		-	10,864	-	-	**10,864**
Other comprehensive income for the year		-	10,864	-	-	**10,864**
Transfer to realised capital gains of cumulative gains on investments sold		-	(5,164)	5,164	-	**-**
Total equity at the end of the year		**209,466**	**84,032**	**35,774**	**19,824**	**349,096**

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

For personal use only

Cash Flow Statement

For the Year Ended 30 June 2021

	Note	2021 $'000 Inflows/ (Outflows)	2020 $'000 Inflows/ (Outflows)
Cash flows from operating activities			
Sales from trading portfolio		4,593	5,648
Purchases for trading portfolio		(12,532)	(5,903)
Interest received		18	209
Proceeds from entering into options in options written portfolio		482	1,597
Payment to close out options in options written portfolio		(114)	(2,252)
Dividends and distributions received		6,088	6,988
		(1,465)	6,287
Other receipts		60	60
Administration expenses		(2,604)	(2,452)
Borrowing expenses		(118)	(122)
Income taxes paid		(1,075)	(574)
Net cash inflow/(outflow) from operating activities	E1	**(5,202)**	**3,199**
Cash flows from investing activities			
Sales from investment portfolio		88,549	124,280
Purchases for investment portfolio		(99,568)	(114,758)
Tax paid on capital gains		(1,551)	(9,760)
Net cash inflow/(outflow) from investing activities		**(12,570)**	**(238)**
Cash flows from financing activities			
Share issue under SPP		38,879	-
Share issue costs		(79)	(15)
Dividends paid		(13,409)	(13,192)
Net cash inflow/(outflow) from financing activities		**25,391**	**(13,207)**
Net increase/(decrease) in cash held		7,619	(10,246)
Cash at the beginning of the year		20,207	30,453
Cash at the end of the year	D1	**27,826**	**20,207**

For the purpose of the Cash Flow Statement, 'cash' includes cash and deposits held at call.

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

For personal use only

For personal use only

A. Understanding Mirrabooka's Financial Performance

A1. How Mirrabooka Manages its Capital

Mirrabooka's objective is to provide shareholders with attractive investment returns through a stream of fully franked dividends and capital growth.

Mirrabooka recognises that its capital will fluctuate with market conditions. In order to manage those fluctuations, the Board may adjust the amount of dividends paid, issue new shares, buy back the Company's shares or sell assets to settle any debt.

Mirrabooka's capital consists of its shareholders' equity plus any net borrowings. A summary of the balances in equity is provided below:

	2021 $'000	2020 $'000
Share capital	250,948	209,466
Revaluation reserve	191,540	84,032
Realised capital gains reserve	49,018	35,774
Retained profits	26,264	19,824
	517,770	**349,096**

Refer to Notes D2–D5 for a reconciliation of movement for each equity account from period to period.

A2. Investments Held and How They Are Measured

Mirrabooka has three portfolios of securities: the investment portfolio, the options written portfolio and the trading portfolio. Details of all holdings (except for the specific option holdings) as at the end of the reporting period can be found at the end of the Annual Report.

The investment portfolio holds securities which the Company intends to retain on a long term basis. The options written portfolio and trading portfolio are held for short term trading only and are relatively small in size when utilised. The Board has therefore focused the information below on the investment portfolio.

The balance and composition of the investment portfolio was:

	2021 $'000	2020 $'000
Equity instruments (at market value)	586,598	372,370
	586,598	**372,370**

All options written by the Company and open at year end are call options. If all options were exercised, this would lead to the sale of $2.0 million worth of securities at an agreed price – the 'exposure' (2020: $1.0 million).

$11.0 million of shares are lodged with ASX Clear Pty Ltd as collateral for sold option positions written by the Company (2020: $9.9 million). These shares are lodged with ASX Clear under the terms of ASX Clear Pty Ltd which require participants in the exchange traded option market to lodge collateral, and are recorded as part of the Company's investment portfolio.

How Investments Are Shown in the Financial Statements

The accounting standards set out the following hierarchy for fair value measurement:

Level 1: quoted prices in active markets for identical assets or liabilities.

Level 2: inputs other than quoted prices, which can be observed either directly (as prices) or indirectly (derived from prices).

Level 3: inputs for the asset or liabilities that are not based on observable market data.

All financial instruments held by Mirrabooka are classified as Level 1 (other than an immaterial amount of call options and the Company's investment in Marketplacer and PEXA Group which are Level 2, the latter of which did not start trading until 1 July). Their fair values are initially measured at the costs of acquisition and then remeasured based on quoted market prices at the end of the reporting period.

Net Tangible Asset Backing Per Share

The Board regularly reviews the net asset backing per share both before and after provision for deferred tax on the unrealised gains in Mirrabooka's long term investment portfolio. Deferred tax is calculated as set out in Note B2. The relevant amounts as at 30 June 2021 and 30 June 2020 were as follows:

Net Tangible Asset Backing Per Share	30 June 2021 $	30 June 2020 $
Before tax	**3.47**	**2.42**
After tax	2.96	2.16

Equity Investments

The shares in the investment portfolio are designated under the accounting standards as financial assets measured at fair value through 'other comprehensive income' (OCI), because they are equity instruments held for long term capital growth and dividend income, rather than to make a profit from their sale. This means that changes in the value of these shares during the reporting period are included in OCI in the Statement of Comprehensive Income. The cumulative change in value of the shares over time is then recorded in the revaluation reserve. On disposal, the amounts recorded in the revaluation reserve are transferred to the realised capital gains reserve.

Options

Options are classified as financial assets or liabilities at fair value through profit and loss and usually have an expiry date within 12 months from the date that they are sold. Options written are initially brought to account at the amount received upfront for entering into the contract (the premium) and subsequently revalued to current market value.

Securities Sold and How They Are Measured

Where securities are sold, any difference between the sale price and the cost is transferred from the revaluation reserve to the realised capital gains reserve and the amounts noted in the Statement of Changes in Equity. This means the Company is able to identify the realised gains out of which it can pay a 'Listed Investment Company' (LIC) gain as part of the dividend.

During the period $89.4 million (2020: $123.9 million) of equity securities were sold. The cumulative gain on the sale of securities from the investment portfolio was $29.3 million for the period after tax (2020: $5.2 million). This has been transferred from the revaluation reserve to the realised capital gains reserve (see Statement of Changes in Equity). These sales were accounted for at the date of trade.

A3. Operating Income

Dividend Income

The total dividends and distributions received from Mirrabooka's investments in 2021 is set out below.

	2021 $'000	2020 $'000
Dividends and distributions		
Securities held in investment portfolio at 30 June	6,420	5,939
Investment securities sold during the year	566	1,591
Trading securities sold during the year	40	-
	7,026	**7,530**

Dividends and distributions from listed securities are recognised as income when those securities are quoted in the market on an ex-distribution basis. Dividends from unlisted securities are recognised as income when they are received. Capital returns on ordinary shares are treated as an adjustment to the carrying value of the shares.

For personal use only

Trading Income

Net gains (before tax) on the trading and options portfolios are set out below.

Net Gains	2021 $'000	2020 $'000
Net realised gains/(losses) from trading portfolio	2,463	1,824
Realised gains/(losses) on options written portfolio	388	(52)
Unrealised gains/(losses) from trading portfolio	(95)	-
Unrealised gains/(losses) from options written portfolio	(10)	(23)
	2,746	**1,749**

A4. Dividends Paid

The dividends paid and payable for the year ended 30 June 2021 are shown below:

	2021 $'000	2020 $'000
(a) Dividends Paid During the Year		
Final dividend for the year ended 30 June 2020 of 6.5 cents fully franked paid on 17 August 2020 (2020: 6.5 cents fully franked paid on 12 August 2019)	10,447	10,430
Interim dividend for the year ended 30 June 2021 of 3.5 cents per share fully franked paid on 16 February 2021 (2020: 3.5 cents fully franked paid on 14 February 2020)	5,644	5,643
	16,091	16,073
Dividends paid in cash	13,409	13,194
Dividends reinvested in shares	2,682	2,879
	16,091	16,073
(b) Franking Credits		
Balance on the franking account after allowing for tax payable in respect of the current year's profits and the receipt of dividends recognised as receivables	23,551	16,972
Impact on the franking account of dividends declared but not recognised as a liability at the end of the financial year:	(6,153)	(4,502)
Net available	**17,398**	**12,470**
These franking account balances would allow Mirrabooka to frank additional dividend payments (at a franking rate of 30 per cent) up to an amount of:	**40,595**	**29,097**

Mirrabooka's ability to continue to pay franked dividends is dependent upon the receipt of franked dividends from the trading and investment portfolios and on Mirrabooka paying tax.

(c) Dividends Declared After Balance Date

Since the end of the year Directors have declared a final dividend of 6.5 cents per share fully franked at 30 per cent and a 2 cent special dividend, also fully franked (3.25 cents and 1 cent respectively for holders of the MIRN shares). The aggregate amount of the final and special dividends for the year to 30 June 2021 to be paid on 17 August 2021, but not recognised as a liability at the end of the financial year is:	14,358	

(d) Listed Investment Company Capital Gain Account

Balance of the Listed Investment Company (LIC) capital gain account	39,738	34,209
This equates to an attributable amount of:	56,769	48,870

Distributed LIC capital gains may entitle certain shareholders to a deduction in their tax return, as set out in the dividend statement. LIC capital gains available for distribution are dependent on the disposal of investment portfolio holdings that qualify for LIC capital gains, or the receipt of LIC distributions from LIC securities held in the portfolios. $20.5 million of the attributable amount will be paid out as part of the final and special dividends on 17 August 2021.

For personal use only

A5. Earnings Per Share

The table below shows the earnings per share based on the profit for the year:

Basic Earnings Per Share	2021 Number	2020 Number
Weighted average number of ordinary shares used as the denominator	166,721,584	161,283,107
	$'000	**$'000**
Profit for the year	6,440	6,393
	Cents	**Cents**
Basic earnings per share	3.86	3.96

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.

B. Costs, Tax and Risk

B1. Management Costs

The total management expenses for the period are as follows:

	2021 $'000	2020 $'000
Administration fees paid to AICS	(1,467)	(1,454)
Other administration expenses	(1,052)	(998)
	(2,519)	**(2,452)**

Administration Fees Paid to AICS

Australian Investment Company Services Limited (AICS) undertakes the day-to-day administration of Mirrabooka's investments and its operations, including financial reporting.

Other Administration Expenses

A major component of other administration expenses is Directors' remuneration. This has been summarised below:

	Short Term Benefits $	Post-employment Benefits $	Total $
2021			
Directors	450,934	42,836	493,770
2020			
Directors	410,959	39,041	450,000

Mirrabooka recognises Directors' retirement allowances that have been crystallised as 'amounts payable'. There are no further retirement allowances that will need to be expensed.

For personal use only

For personal use only

B2. Tax

Mirrabooka's tax position, and how it accounts for tax, is explained here. Detailed reconciliations of tax accounting to the financial statements can be found in Note E2.

The income tax expense for the period is the tax payable on this financial year's taxable income, adjusted for any changes in deferred tax assets and liabilities attributable to temporary differences and for any unused tax losses. Deferred tax assets and liabilities (except for those related to the unrealised gains or losses in the investment portfolio) are offset, as all current and deferred taxes relate to the Australian Taxation Office and can legally be settled on a net basis. Deferred tax balances are calculated at the rate of 30 per cent (2020: 30 per cent).

A provision has been made for taxes on any unrealised gains or losses on securities valued at fair value through the Income Statement – i.e. the trading portfolio, puttable instruments, convertible notes that are classified as debt and the options written portfolio.

A provision also has to be made for any taxes that could arise on sale of securities in the investment portfolio, even though there is no intention to dispose of them. Where Mirrabooka disposes of such securities, tax is calculated according to the particular parcels allocated to the sale for tax purposes, offset against any capital losses carried forward.

Tax Expense

The income tax expense for the period is shown below:

(a) Reconciliation of Income Tax Expense to Prima Facie Tax Payable

	2021 $'000	2020 $'000
Net profit before income tax expense	**7,213**	**6,974**
Tax at the Australian tax rate of 30 per cent (2020 – 30 per cent)	2,164	2,092
Tax offset for franked dividends received	(1,452)	(1,395)
Tax effect of sundry items taxable but not included in income or not taxable in the current year	88	(81)
	800	**616**
Over provision in prior years	(27)	(35)
Total tax expense	**773**	**581**

Deferred Tax Liabilities – Investment Portfolio

The accounting standards require us to recognise a deferred tax liability for the potential capital gains tax on the unrealised gain in the investment portfolio. This amount is shown in the Balance Sheet. However, the Board does not intend to sell the investment portfolio, so this tax liability is unlikely to arise at this amount. Any sale of securities would also be affected by any changes in capital gains tax legislation or tax rate applicable to such gains when they are sold. The rate used at 30 June 2021 is 30 per cent (30 June 2020: 30 per cent).

	2021 $'000	2020 $'000
Deferred tax liabilities on unrealised gains in the investment portfolio	**89,985**	**42,286**
Opening balance at 1 July	42,286	39,168
Tax on realised gains (at 30 per cent)	(10,944)	(1,551)
Charged to OCI for ordinary securities on gains or losses for the period	58,643	4,669
	89,985	**42,286**

B3. Risk

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. As a Listed Investment Company that invests in tradeable securities, Mirrabooka can never be free of market risk as it invests its capital in securities which are not risk free – the market price of these securities will fluctuate.

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over all assets in the investment portfolio, would have led to a reduction in Mirrabooka's comprehensive income of $20.5 million and $41.1 million respectively, at a tax rate of 30 per cent (2020: $13.0 million and $26.1 million).

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over the liabilities in the options portfolio, would be immaterial (2020: immaterial).

A general fall in market prices of 5 per cent and 10 per cent, if spread equally over the assets in the trading portfolio, would have led to a reduction in net profit of $128,000 and $255,500, at a tax rate of 30 per cent (2020: nil).

Mirrabooka seeks to reduce market risk at the investment portfolio level by ensuring that it is not, in the opinion of the Investment Committee, overly exposed to one company or one particular sector of the market. The relative weightings of the individual securities and the relevant market sectors are reviewed by the Investment Committee and risk can be managed by reducing exposure where necessary. Mirrabooka does not have a minimum or maximum amount of the portfolio that can be invested in a single company or sector.

Mirrabooka's total investment exposure by sector is as below:

	2021 %	2020 %
Energy	1.13	2.52
Materials	4.32	6.52
Industrials	21.66	24.33
Consumer Discretionary	15.89	11.47
Consumer Staples	2.64	1.93
Healthcare	8.00	7.70
Financials	14.01	10.59
Real Estate	2.30	0.80
Information Technology and Telecoms	25.55	28.99
Cash	4.50	5.15

There were two investments representing over 5 per cent of the investment portfolio at 30 June 2021 – Mainfreight (6.1 per cent) and ARB Corporation (5.1 per cent)(2020: Macquarie Telecom – 5.5 per cent).

Mirrabooka is not currently materially exposed to interest rate risk as the majority of its cash investments are in an overnight 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating which are for fixed rates for short term duration. Mirrabooka is also not directly exposed to material currency risk as most of its investments are quoted in Australian dollars.

The writing of call options provides some protection against a fall in market prices as it generates income to partially compensate for a fall in capital values. Options are only written against securities that are held in the trading or investment portfolio.

For personal use only

For personal use only

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Mirrabooka is exposed to credit risk from cash, receivables, securities in the trading portfolio and securities in the investment portfolio respectively. None of these assets are overdue. The risk in relation to each of these items is set out below.

Cash

All cash investments not held in a transactional account are invested in cash management trusts which invest predominantly in securities with an A1+ rating.

In the unlikely event of a bank default or default on the underlying securities in the cash trust, there is a risk of losing the cash deposits and any accrued unpaid interest.

Receivables

Outstanding settlements are on the terms operating in the securities industry, which usually require settlement within two days of the date of a transaction. Receivables are non-interest bearing and unsecured. In the event of a payment default, there is a risk of losing any difference between the price of the securities sold and the price of the recovered securities from the discontinued sale. Receivables also include dividends from securities that have passed the record date for the distribution but have not bend paid as at balance date.

Trading and Investment Portfolios

Converting and convertible notes or other interest-bearing securities that are not equity securities carry credit risk to the extent of their carrying value. Any loss as a consequence of this risk will be realised in the event of a shortfall on winding-up of the issuing companies.

Liquidity Risk

Liquidity risk is the risk that an entity will not be able to meet its financial liabilities.

Mirrabooka monitors its cash flow requirements daily. The Investment Committee also monitors the level of contingent payments on a regular basis by reference to known sales and purchases of securities, dividends and distributions to be paid or received, put options that may require Mirrabooka to purchase securities, and facilities that need to be repaid. Mirrabooka ensures that it has either cash or access to short term borrowing facilities sufficient to meet these contingent payments.

Mirrabooka's inward cash flows depend upon the dividends received. Should these drop by a material amount, Mirrabooka would amend its outward cash flows accordingly. Mirrabooka's major cash outflows are the purchase of securities and dividends paid to shareholders, and both of these can be adjusted by the Board and management. Furthermore, the assets of Mirrabooka are largely in the form of readily tradeable securities which can be sold on-market if necessary.

The table below analyses Mirrabooka's financial liabilities into relevant maturity groupings. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

30 June 2021	Less Than 6 Months $'000	6–12 Months $'000	Greater Than 1 Year $'000	Total Contractual Cash Flows $'000	Carrying Amount $'000
Non-derivatives					
Payables	181	-	-	181	181
	181	-	-	181	181
30 June 2020					
Non-derivatives					
Payables	268	-	-	268	268
	268	-	-	268	268

In the case of call options, there are no contractual cash flows as if the option is exercised the contract will be settled in the securities over which the option is written.

C. Unrecognised Items

C1. Contingencies

Directors are not aware of any material contingent liabilities or contingent assets other than those already disclosed elsewhere in the Financial Report.

For personal use only

For personal use only

Further notes to the financial statements are included here. These are grouped into three sections:

D. Balance Sheet Reconciliations

E. Income Statement Reconciliations

F. Further Information

D. Balance Sheet Reconciliations

This section provides information about the basis of calculation of line items in the financial statements.

D1. Current Assets – Cash

	2021 $'000	2020 $'000
Cash at bank and in hand (including on-call)	27,826	20,207
	27,826	**20,207**

Cash holdings yielded an average floating interest rate of 0.13 per cent (2020: 1.04 per cent). All cash investments are held in a transactional account or an overnight 'at call' account invested in cash management trusts which invest predominantly in securities with an A1+ rating.

The Company also has access to a $10 million liquidity facility with the Commonwealth Bank of Australia. This was renewed on 6 May and has a term of two years. It remains undrawn at balance date.

D2. Revaluation Reserve

	2021 $'000	2020 $'000
Opening balance at 1 July	84,032	78,332
Gains/(losses) on investment portfolio		
– Equity instruments	195,486	15,533
Provision for tax on above	(58,643)	(4,669)
Cumulative taxable realised (gains)/losses (net of tax)	(29,335)	(5,164)
	191,540	**84,032**

This reserve is used to record increments and decrements on the revaluation of the investment portfolio as described in accounting policy Note A2.

D3. Realised Capital Gains Reserve

	2021 $'000	2020 $'000
Opening balance at 1 July	35,774	43,474
Dividends paid	(16,091)	(12,864)
Cumulative taxable realised gains for period through OCI (net of tax)	29,335	5,164
	49,018	**35,774**

This reserve records gains or losses after applicable taxation arising from disposal of securities in the investment portfolio as described in A2.

D4. Retained Profits

	2021 $'000	2020 $'000
Opening balance at 1 July	19,824	16,640
Dividends paid	-	(3,209)
Profit for the year	6,440	6,393
	26,264	**19,824**

This reserve relates to past profits.

D5. Share Capital

Date	Details	Notes	Number of Shares '000	Issue Price $	Paid-up Capital $'000
1/7/2019	Balance		160,465		206,602
12/8/2019	Dividend Reinvestment Plan	i	769	2.50	1,921
14/2/2020	Dividend Reinvestment Plan	i	373	2.57	958
Various	Costs of issue		-		(15)
30/6/2020	Balance		**161,607**		**209,466**
17/8/2020	Dividend Reinvestment Plan	i	708	2.43	1,723
17/8/2020	Dividend Substitution Share Plan	ii	24	2.43	n/a
16/2/2021	Dividend Reinvestment Plan	i	301	3.19	959
16/2/2021	Dividend Substitution Share Plan	ii	12	3.19	n/a
23/2/2021	Share Purchase Plan	iii	12,542	3.10	38,879
Various	Costs of issue		-		(79)
30/6/2021	Balance		**175,194**		**250,948**

i. Shareholders elect to have all or part of their dividend payment reinvested in new ordinary shares under the Dividend Reinvestment Plan (DRP). The price of the new DRP shares is based on the average selling price of shares traded on the Australian Securities Exchange and Chi-X in the five days after the shares begin trading on an ex-dividend basis.

ii. The Company has a Dividend Substitution Share Plan (DSSP) whereby shareholders may elect to forgo a dividend and receive shares instead. Pricing for the DSSP shares is done as per the DRP shares.

iii. The Company had a Share Purchase Plan (SPP) during the period. Shareholders could apply for up to $30,000 worth of new securities. Shares were issued at a 5 per cent discount to the five-day VWAP calculated up to and including the day on which the SPP closed (15 February 2021). New shares issued under the SPP are entitled to 50 per cent of the final dividend due to be paid on 17 August 2021, and will convert into ordinary shares on the ex-dividend date of 28 July 2021.

All shares have been fully paid, rank pari passu (except as related to dividends as noted above) and have no par value.

For personal use only

For personal use only

E. Income Statement Reconciliations

E1. Reconciliation of Net Cash Flows From Operating Activities to Profit

	2021 $'000	2020 $'000
Profit for the year	**6,440**	**6,393**
Net decrease (increase) in trading portfolio	(3,650)	3,000
Sale of stock from trading portfolio to investment portfolio	(7,478)	(5,081)
Increase (decrease) in options written portfolio	(8)	(579)
Dividends received as securities under DRP investments	(246)	(224)
Decrease (increase) in current receivables	258	(177)
Increase (decrease) in deferred tax liabilities	47,713	2,908
– Less (increase) decrease in deferred tax liability on investment portfolio	(47,699)	(3,118)
Increase (decrease) in current payables	(87)	(2)
– Less decrease (increase) in payables for investment portfolio		
Increase (decrease) in provision for tax payable	8,947	(8,129)
– Less CGT provision	(10,944)	(1,552)
– Add taxes paid on capital gains	1,552	9,760
Net cash flows from operating activities	**(5,202)**	**3,199**

E2. Tax Reconciliations

Tax Expense Composition

	2021 $'000	2020 $'000
Charge for tax payable relating to the current year	786	826
Over provision in prior years	(27)	(35)
(Increase) decrease in deferred tax assets	14	(210)
	773	**581**

Amounts Recognised Directly Through Other Comprehensive Income

Net increase in deferred tax liabilities relating to capital gains tax on the movement in gains in the investment portfolio	58,643	4,669
	58,643	**4,669**

Deferred Tax Assets and Liabilities

The deferred tax balances are attributable to:

	2021 $'000	2020 $'000
(a) Tax on unrealised gains or losses in the trading portfolio	29	-
(b) Tax on unrealised gains/losses in the options written portfolio	3	7
(c) Provisions and expenses charged to the accounting profit which are not yet tax deductible	52	78
(d) Interest and dividend income receivable which is not assessable for tax until receipt	(78)	(65)
	6	**20**
Movements:		
Opening asset balance at 1 July	20	(190)
Credited/(charged) to Income Statement	(14)	210
	6	**20**

Deferred tax assets arise when provisions and expenses have been charged but are not yet tax deductible. These assets are realised when the relevant items become tax deductible, as long as enough taxable income has been generated to claim the assets against, and as long as there are no changes to the tax legislation that affect Mirrabooka's ability to claim the deduction. As noted in B2, deferred tax assets and liabilities have been calculated at a rate of 30 per cent (2020: 30 per cent).

F. Further Information

This section covers information that is not directly related to specific line items in the financial statements, including information about related party transactions and other statutory information.

F1. Related Parties

All transactions with deemed related parties were made on normal commercial terms and conditions and approved by independent Directors.

F2. Remuneration of Auditors

For the year the auditor earned or will earn the following remuneration:

	2021 $	2020 $
PricewaterhouseCoopers		
Audit or review of financial reports	108,892	104,678
Permitted non-audit services		
Taxation compliance services	12,975	12,720
Total remuneration	**121,867**	**117,398**

For personal use only

F3. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting used by the chief operating decision-maker. The Board, through its sub-committees, has been identified as the chief operating decision-maker, as it is responsible for allocating resources and assessing performance of the operating segments.

Description of Segments

The Board makes the strategic resource allocations for Mirrabooka. Mirrabooka has therefore determined the operating segments based on the reports reviewed by the Board, which are used to make strategic decisions.

The Board is responsible for Mirrabooka's entire portfolio of investments and considers the business to have a single operating segment. The Board's asset allocation decisions are based on a single, integrated investment strategy, and Mirrabooka's performance is evaluated on an overall basis.

Segment Information Provided to the Board

The internal reporting provided to the Board for Mirrabooka'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 capital gains tax on investments (as reported in Mirrabooka's net tangible asset announcements to the ASX).

Other Segment Information

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.

Mirrabooka is domiciled in Australia and most of Mirrabooka's income is derived from Australian entities or entities that maintain a listing in Australia. Mirrabooka has a diversified portfolio of investments, with only one investment comprising more than 10 per cent of Mirrabooka's income, including realised income from the trading and options written portfolios: the gain on 4D Medical through the trading portfolio -12.6 per cent of total revenue (2020: nil).

For personal use only

F4. Summary of Other Accounting Policies

This general purpose Financial Report has been prepared in accordance with Australian Accounting Standards, Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*. This Financial Report has been authorised in accordance with a resolution of the Board and is presented in the Australian currency. The Directors of Mirrabooka have the power to amend and reissue the Financial Report.

Mirrabooka has attempted to improve the transparency of its reporting by adopting 'plain English' where possible. Key 'plain English' phrases and their equivalent AASB terminology are as follows:

Phrase	AASB Terminology
Market value	Fair value for actively traded securities
Cash	Cash and cash equivalents
Share capital	Contributed equity
Options	Derivatives written over equity instruments that are valued at fair value through profit or loss

Mirrabooka complies with International Financial Reporting Standards (IFRS). Mirrabooka is a 'for profit' entity.

Mirrabooka has not applied any Australian Accounting Standards or AASB Interpretations that have been issued as at balance date but are not yet operative for the year ended 30 June 2021 ('the inoperative standards'). The impact of the inoperative standards has been assessed and the impact has been identified as not being material. Mirrabooka only intends to adopt other inoperative standards at the date at which their adoption becomes mandatory.

Basis of Accounting

The financial statements are prepared using the valuation methods described in A2. All other items have been treated in accordance with the historical cost convention.

Fair Value of Financial Assets and Liabilities

The fair value of cash and cash equivalents, and non-interest bearing monetary financial assets and liabilities of Mirrabooka approximates their carrying value.

Rounding of Amounts

Mirrabooka is a company of the kind referred to in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, relating to the 'rounding off' of amounts in the Financial Report. Amounts in the Financial Report have been rounded off in accordance with that Instrument, to the nearest thousand dollars, or in certain cases, to the nearest dollar.

For personal use only

DIRECTORS' DECLARATION

In the Directors' opinion:

1) the financial statements and notes set out on pages 24 to 42 are in accordance with the *Corporations Act 2001* including:
   a) complying with Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
   b) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
2) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Note F4 to the financial statements confirms that the financial statements also comply with International Reporting Standards as issued by the International Accounting Standards Board.

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

This declaration has been made after receiving the declarations required to be made to the Directors by the Managing Director and the Chief Financial Officer regarding the financial statements in accordance with Section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2021.

The declarations received were that, in the opinion of the Managing Director and the Chief Financial Officer and to the best of their knowledge, the financial records of the Company have been properly maintained, that the financial statements comply with accounting standards and that they give a true and fair view.



Terrence Campbell AO
Chairman

Melbourne
5 August 2021

For personal use only

INDEPENDENT AUDIT REPORT

For personal use only

pwc

Independent auditor's report

To the members of Mirrabooka Investments Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Mirrabooka Investments Limited (the company) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the company's financial position as at 30 June 2021 and of its financial performance for the year then ended

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

What we have audited

The financial report comprises:

- the balance sheet as at 30 June 2021
- the statement of comprehensive income for the year then ended
- the statement of changes in equity for the year then ended
- the cash flow statement for the year then ended
- the income statement for the year then ended
- the notes to the financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

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

Independence

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 our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Liability limited by a scheme approved under Professional Standards Legislation.

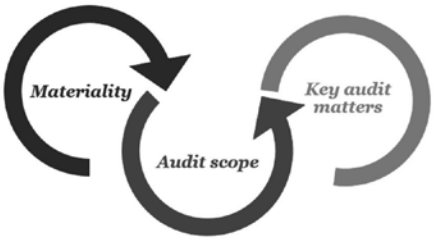
For personal use only

pwc

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the company, its accounting processes and controls and the industry in which it operates.



Materiality

- For the purpose of our audit we used overall materiality of $5.18 million, which represents approximately 1% of the Company's net assets.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. We chose net assets as the benchmark because, in our view, net assets is:
  - the metric against which the performance of the Company is most commonly measured
  - the key driver of the business and the determinant of the Company's value
- We utilised a 1% threshold based on our professional judgement, noting it is within the range of commonly acceptable net asset related thresholds.

Audit Scope

- Our audit focused on assessing the financial statements for risks of material misstatement in account balances or disclosures and designing and performing audit procedures to obtain reasonable assurance that the financial statements as a whole were free of material misstatement due to fraud or error. This included identifying areas of higher risk, based on quantitative and qualitative assessments of the Company's operations and activities
- The administration and investment operations for the Company are conducted by Australian Investment Company Services Limited. In addition to our audit procedures, we obtained a report from other auditors that the controls over administration and investment operations operating at Australian Investment Company Services Limited were suitably designed and operated effectively for the year. We assessed the report by considering the other auditor's independence, competency, and results of procedures.

For personal use only

pwc

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

Key audit matter	*How our audit addressed the key audit matter*
Existence and valuation of Investment Portfolio *Refer to note A2* *$586.6m* The Investment Portfolio consists mainly of listed Australian equities. Whilst there is no significant judgement in determining the valuation of the Company's investments, investments represent a key measure of the Company's performance and comprise a significant proportion of total assets in the balance sheet. The fluctuations in investment valuation will also impact the realised and unrealised gains/(losses) recognised in the statement of comprehensive income, which also affects the deferred tax provisions. Given the pervasive nature investments have on the Company's key financial metrics, we determined the existence and valuation of investments to be a key audit matter.	1) Performed an investment reconciliation of the investments balance from the opening investment balance, addition/subtraction of purchases, sales and other relevant transactions, and agreeing back to the 30 June 2021 balance. 2) Obtained the purchases and sales listing for the year ended 30 June 2021, and • Agreed a sample of purchases and sales to original contracts; and • Agreed a sample of original contracts to the purchases and sales listing. 3) Agreed all the investment quantity holdings at 30 June 2021 to third party registry sources. 4) Agreed all listed equities investment prices to third party market pricing sources.

For personal use only

pwc

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2021, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar2_2020.pdf. This description forms part of our auditor's report.

For personal use only

pwc

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 18 to 20 of the directors' report for the year ended 30 June 2021.

In our opinion, the remuneration report of Mirrabooka Investments Limited for the year ended 30 June 2021 complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Nadia Carlin
Partner

Melbourne
5 August 2021

OTHER INFORMATION

Information About Shareholders

At 21 July 2021 there were 7,397 holdings of shares. These holdings were distributed in the following categories:

Size of Holding	Holdings	% by Share Capital
1 to 1,000	702	0.16
1,001 to 5,000	1,588	2.74
5,001 to 10,000	1,403	6.10
10,001 to 100,000	3,516	57.18
100,000 and over	188	33.80
Total		**100**

Percentage held by the 20 largest holders	**17.39%**
Average shareholding	

There were 209 shareholdings of less than a marketable parcel of $500 (129 shares).

Voting Rights of Ordinary Shares

The Constitution provides for votes to be cast:

(i) on a show of hands, one vote for each shareholder; and

(ii) on a poll, one vote for each fully paid ordinary share.

Major Shareholders

The 20 largest registered shareholders of the Company's ordinary shares as at 21 July 2021 are noted below:

Rank	Name	Units	% Units
1	AFIC Ltd	8,727,827	4.98
2	Djerriwarrh Investments Limited	4,214,810	2.41
3	HSBC Custody Nominees (Australia) Limited	3,175,803	1.81
4	T Campbell	2,939,356	1.68
5	Netwealth Investments Limited <Wrap Services A/C>	1,980,164	1.13
6	The Ian Potter Foundation Ltd <No 1 A/C>	1,409,677	0.80
7	Melbourne Business School Limited	712,209	0.41
8	Nulis Nominees (Australia) Limited <Navigator Mast Plan Sett A/C>	681,556	0.39
9	Mr Ian Stanley Fraser + Mr Andrew Tweedie + Mr Andrew Stanley Fraser <Joe White Bequest Cap A/C>	666,240	0.38
10	Somoke Pty Limited <Pulman Super Fund A/C>	648,214	0.37
11	Citicorp Nominees Pty Limited	619,218	0.35
12	Mutual Trust Pty Ltd	615,511	0.35
13	Ross Barker	612,607	0.35
14	BNP Paribas Nominees Pty Ltd HUB24 Custodial Serv Ltd <Drp A/C>	529,416	0.30
15	Navigator Australia Ltd <Mlc Investment Sett A/C>	519,135	0.30
16	Fivewood Nominees Pty Ltd <PJ Woodward Family A/C>	514,636	0.29
17	Yelgarn Pty Ltd <Montgomery Super Fund A/C>	509,677	0.29
18	Chalcott Nominees Pty Ltd <McGregor Family S/Fund A/C>	509,250	0.29
19	Baker Custodian Corporation	459,677	0.26
20	Netwealth Investments Limited <Super Services A/C>	421,925	0.24

For personal use only

Sub-underwriting

During the year the Company participated as a sub-underwriter in the following issues of securities:

Company	Underwritten By	Description	Amount Underwritten
Select Harvests Limited	Bell Potter Securities Limited	1 for 6.3 pro-rata accelerated, non-renounceable offer at $5.20 per share	$2,500,000
Superloop Limited	UBS AG, Australia Branch and Canaccord Genuity (Australia) Limited	1 for 6.67 pro-rata accelerated non-renounceable offer at $0.93 per share	$999,999

Substantial Shareholders

The Company has not been notified of any substantial shareholdings.

Transactions in Securities

During the year ended 30 June 2021, the Company recorded 534 transactions in securities. $494,981 in brokerage (including GST) was paid or accrued for the year.

For personal use only

Major Transactions in the Investment Portfolio

Acquisitions	Cost $'000
PEXA Group (participation in IPO)	9,000
FINEOS Corporation (includes participation in placement @$4.26 per share)	7,702
NIB Holdings	6,153
Corporate Travel Management	5,753
IRESS	5,677

Sales	Proceeds $'000
Objective Corporation	12,932
Qube Holdings	7,952
Reece	7,409
Brickworks#	5,632
HUB24	4,593

Complete disposals from the portfolio.

New Companies Added to the Portfolio

PEXA Group

NIB Holdings

Corporate Travel Management

Superloop

Nanosonics

Domino's Pizza Enterprises

Select Harvests

IDP Education

Lark Distilling Company

PSC Insurance Group

BikeExchange

For personal use only

Holdings of Securities

At 30 June 2021

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784), as individual holdings in the portfolio may change.

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units, stapled securities or convertible notes.

Code	Name	Principal Activity	Number Held 2020 '000	Number Held 2021 '000	Market Value 2021 $'000
MFT	Mainfreight (NZX listed)	Provider of managed warehousing and international and domestic freight forwarding services	500	500	35,810
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	734	701	30,264
MAQ	Macquarie Telecom Group	Provides voice and telecommunication services as well as data hosting and co-location services to businesses and government customers	462	462	24,460
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	1,298	909	21,452
IRE	IRESS	Provider of share market and wealth management information systems	960	1,540	19,881
BRG	Breville Group	Manufacturer and wholesaler of electrical consumer products	600	600	17,946
NWL	Netwealth Group	Provides independent investment platform services to institutional, corporate and retail clients	1,009	981	16,828
AUB	AUB Group	Investor in a network of small to medium Australian insurance brokers	620	709	15,863
OCL	Objective Corporation	Provider of information technology software and services	2,020	895	15,631
JHX	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	370	341	15,414
CAR*	Carsales.com	The largest online automotive classifieds business in Australia. They also have interests in leading online automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico	657	751	14,798
PNI	Pinnacle Investment Management Group	Develops and operates investment management businesses and provides distribution services, and business support to its affiliates	1,027	1,227	14,682
RMD	ResMed	Developer, manufacturer and distributor of medical equipment for treating, diagnosing and managing sleep-disordered breathing and other respiratory disorders	330	436	14,271
SEK	Seek	Operator of employment classifieds websites in Australia and offshore with interests in education and training	495	428	14,184
NXT	NEXTDC	Owns and operates large-scale data centres across Australia	1,178	1,178	13,974
ALQ	ALS	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	1,000	1,000	13,040
FCL	FINEOS Corporation	A global software company that provides software solutions to the life, accident and health insurance industry	1,200	3,144	12,263
FPH	Fisher & Paykel Healthcare Corporation	Design, manufacture and market a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea	295	415	11,995
ANN	Ansell	Designer, manufacturer and distributor of a wide range of industrial, surgical and examination gloves and other protective products	190	273	11,900
IVC	InvoCare	Provider of services related to funerals, burials and cremations	938	1,020	11,801

For personal use only

For personal use only

Code	Name	Principal Activity	Number Held 2020 '000	Number Held 2021 '000	Market Value 2021 $'000
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	370	427	11,696
XRO	Xero	Develops cloud-based accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States	99	81	11,145
APE	Eagers Automotive	Operator of a national footprint of full-service motor vehicle dealerships representing a broad range of car and truck brands in Australia	660	660	10,930
TPW	Temple & Webster	Operates as an online retailer of furniture, homewares, home décor, arts, gifts and lifestyle products from Australian and international designers	617	947	10,214
ALX	Atlas Arteria	Owns stakes in a number of toll roads in France and the United States	1,104	1,469	9,359
IFM	Infomedia	Engages in the development and provision of applications and information solutions to the after sales parts and service sector of the automotive industry	3,130	6,047	9,282
PXA	PEXA Group	Australia's leading, fully integrated digital property settlements platform, allowing buyers and sellers to more efficiently settle the sale of a home	0	525	9,000
NHF	NIB Holdings	Engages in the provision of health and medical insurance	0	1,350	8,789
AIA	Auckland International Airport	Owner and operator of New Zealand's largest airport	1,297	1,297	8,769
HUB	HUB24	Provider of platform, investment, advisory and stock broking services to institutional, corporate and retail clients	508	304	8,667
REA	REA Group	Engages in the provision of property and property-related services on websites and mobile apps across Australia and Asia	48	48	8,037
FRE	Freightways (NZX listed)	Engages in the provision of express packages and business mail services as well information and destruction services both in Australia and New Zealand	685	685	8,035
QUB	Qube Holdings	Provider of import and export logistics services with national operations	5,000	2,375	7,529
OZL	OZ Minerals	Engages in the mining of copper and gold at developed mines as well as engaging in mining exploration and development projects	565	319	7,171
CTD	Corporate Travel	Provides travel management services to the corporate market. It offers business travel advisory services, bookings, ticketing, diagnostics and recommendations, ancillary services and also provides networking tools	0	333	7,156
OSH	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	1,718	1,831	6,977
NZX	NZX (NZX listed)	Operates as a securities exchange, and also provides wealth management services for New Zealand advisers via its wealth technologies business	4,191	3,500	6,510
CWY	Cleanaway Waste Management	Engages in the provision of total waste management, industrial and environment services	3,550	2,367	6,248
SPL	Starpharma Holdings	Engages in the research and development of dendrimer products for pharmaceutical, life science and other applications	3,980	4,067	6,080

Holdings of Securities

At 30 June 2021 continued

Code	Name	Principal Activity	Number Held 2020 '000	Number Held 2021 '000	Market Value 2021 $'000
SLC	Superloop	A diversified telecommunications business providing NBN connectivity, wholesale fibre and wireless broadband to residential and business customers	0	6,490	6,036
RWC	Reliance Worldwide Corporation	Designs, manufactures and distributes products for the plumbing industry including fittings, pipes, valves and thermostatic products	1,500	1,140	5,996
DMP	Domino's Pizza Enterprises	The largest international master franchise owner of the Domino's pizza brand with operations in Australia, Europe and Asia	0	49	5,859
SHV	Select Harvests	One of Australia's largest growers, processors and packager of nuts, focusing predominantly on almonds	0	824	5,561
PKS	PKS Holdings	A healthcare company which provides clinical decision support software known as 'Rippledown' which automates human decision-making processes in healthcare organisations	5,500	13,200	5,544
EVT	Event Hospitality & Entertainment	Entertainment, hospitality and leisure company with interests in cinemas, hotels and resorts	577	424	5,359
NAN	Nanosonics	Engages in the research, development, and commercialisation of infection control and decontamination products and related technologies	0	889	5,220
TGR	Tassal Group	Producer of Atlantic salmon from Tasmania	1,234	1,324	4,739
LRK	Lark Distilling Company	A leading producer of Tasmanian whiskey through the Lark Whiskey brand	0	1,449	4,682
AWC	Alumina	40 per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	3,000	2,500	4,113
IEL	IDP Education	Provider of international English language testing, student placement and English language teaching services	0	165	4,049
AD8	Audinate Group	Engages in the development and commercialisation of digital audio network solutions	492	492	3,997
MKT	Marketplacer (unlisted)	A software company that provides the technology and infrastructure needed to establish and maintain online marketplaces for retail and B2B customers	150,000	3,750	3,750
RHP	Rhipe	Provides software licensing and cloud computing services on behalf of a number of large, multinational software vendors	1,980	1,769	3,697
PSI	PSC Insurance Group	Engages in business acquisition, establishment and turnaround in the insurance services industry	0	1,000	3,530
CUP	CountPlus	Operates as a holding company with interest in providing accounting and financial services	1,262	3,450	3,450
PPC	Peet	A property development company focusing on the acquisition and development of residential land in Australia	0	2,209	2,650
LIC	Lifestyle Communities	Developer, owner and manager of independent living communities for elderly citizens	331	165	2,581
BEX	BikeExchange	A global online marketplace that facilitates the trade of bicycles and accessories	0	5,769	1,341
Total					**590,207**

* Investments marked with an asterisk were the subject of options for part of the holding.

For personal use only

Issues of Securities

Date of Issue	Type	Price Per Share
23 February 2021	SPP – MIRNA	$3.10
16 February 2021	DRP/DSSP	$3.19
17 August 2020	DRP/DSSP	$2.43
14 February 2020	DRP	$2.57
12 August 2019	DRP	$2.50
15 February 2019	DRP	$2.40
13 August 2018	DRP	$2.58
15 February 2018	DRP	$2.58
10 August 2017	DRP	$2.58
14 February 2017	DRP	$2.57
9 August 2016	DRP	$2.71
9 February 2016	DRP	$2.46
19 November 2015	SPP	$2.20
7 August 2015	DRP	$2.50
10 February 2015	DRP	$2.23
8 August 2014	DRP	$2.46
11 February 2014	DRP	$2.33
9 August 2013	DRP	$2.26
12 February 2013	DRP	$2.14
3 August 2012	DRP	$1.85
10 February 2012	DRP	$1.74
5 August 2011	DRP	$1.83
16 August 2010	Share Purchase Plan (SPP)	$1.60
12 February 2010	DRP	$1.99
7 August 2009	DRP	$1.55
13 February 2009	DRP	$1.32
29 February 2008	1 for 7 rights issue	$1.95
2 August 2007	DRP	$2.49
2 March 2007	DRP	$2.09
23 August 2006	Dividend Reinvestment Plan (DRP)	$1.86
15 March 2004	Share Acquisition Plan	$1.15
23 September 2003	1 for 4 rights issue	$1.00
13 April 2003	Share Acquisition Plan	$1.00
22 April 1999	Initial Share Issue	$1.00

Note that for the shares issued under the Dividend Substitution Share Plan (DSSP), the price shown is the indicative price used to determine the number of shares issued to participants. Shares issued under the DSSP are issued at nil cost. Shareholders who sell shares issued under the DSSP should consult their tax adviser as to the correct treatment of such sales for taxation purposes.

For personal use only

Company Particulars

Mirrabooka Investments Limited

ABN 31 085 290 928

Directors

Terrence A Campbell AO, Chairman
Mark Freeman, Managing Director
Ian A Campbell
Jacinth K Fairley
Antoinette A Kimmitt AM
David E Meiklejohn AM
Greg W Richards

Company Secretaries

Matthew J Rowe
Andrew JB Porter

Auditor

PricewaterhouseCoopers
Chartered Accountants

Country of Incorporation

Australia

Registered Office and Mailing Address

Level 21, 101 Collins Street
Melbourne, Victoria 3000

Contact Details

Telephone (03) 9650 9911
Facsimile (03) 9650 9100
Email invest@mirrabooka.com.au
Website mirrabooka.com.au

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

Telephone 1800 780 784 (toll free)

For personal use only

Shareholder Information

Share Registrar

Computershare Investor Services Pty Ltd
Yarra Falls
452 Johnston Street
Abbotsford Victoria 3067

Shareholder Enquiry Line	1300 653 924 +61 3 9415 4342 (from overseas)
Facsimile	+61 3 9473 2500
Website	investorcentre.com/contact

For all inquiries relating to shareholdings, dividends and related matters, please contact the share registrar as above.

Securities Exchange Code

MIR	Ordinary shares

Annual General Meeting

Time	1.30pm
Date	Tuesday 5 October 2021
Venue	Clarendon Auditorium Melbourne Convention and Exhibition Centre (MCEC)
Location	2 Clarendon Street Southbank Victoria Australia 3006

Subject to any change in the Government restrictions for public gatherings, the AGM will be a hybrid meeting with a physical meeting and access via an online platform.

Our intention is to hold shareholder meetings in each of the state capital cities (other than Hobart) during October 2021. Given the uncertainty because of COVID-19, shareholders will be notified separately of date and venue if these meetings can safely proceed.

For personal use only

For personal use only

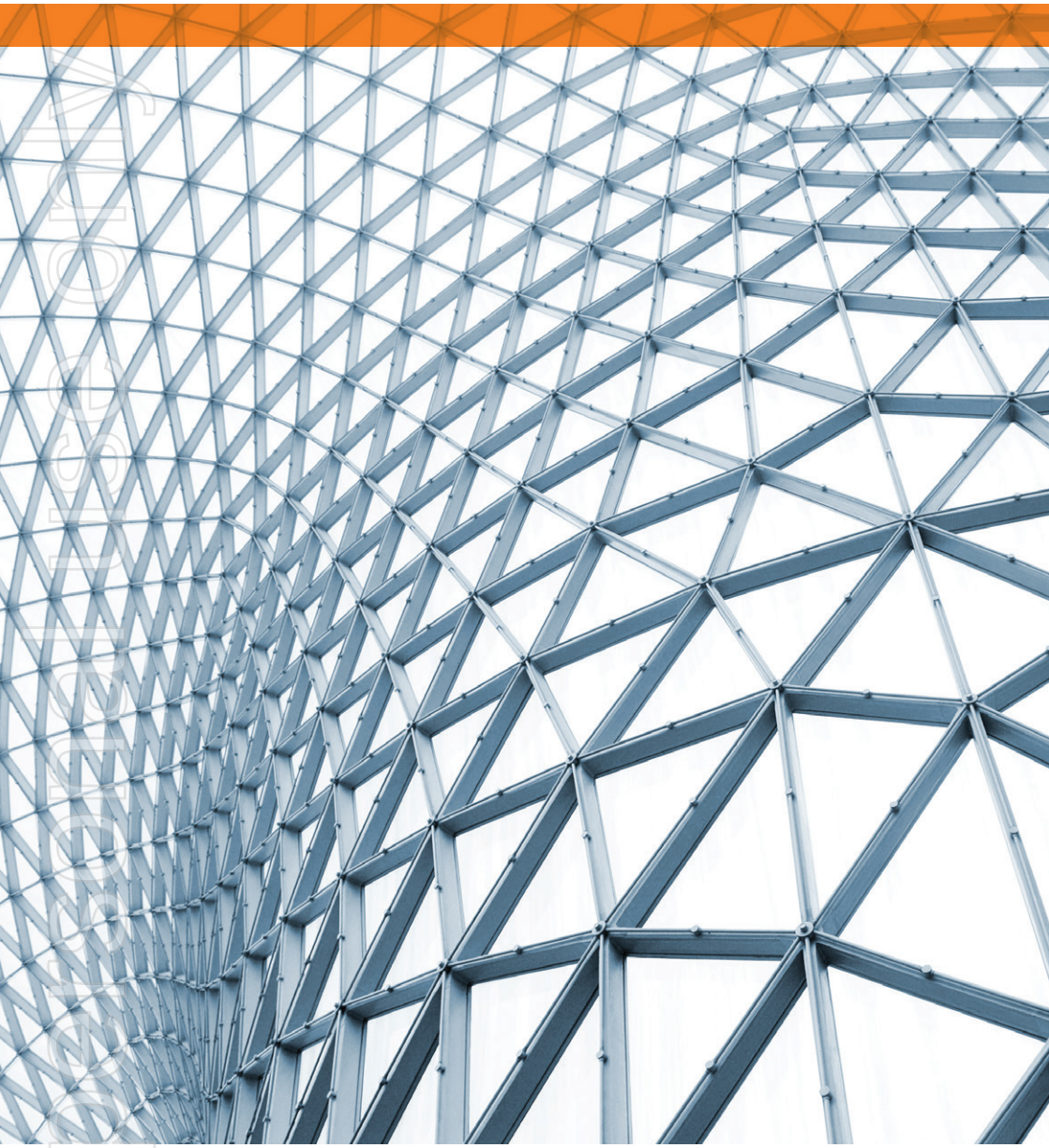
MIRRABOOKA
Investments Limited

Design: MDM Investorcom
Printed on environmentally friendly paper

MIRRABOOKA
Investments Limited

Finding opportunities in small and medium-sized companies

Half-Year Review to 31 December 2020



Contents

1 Half-Year in Summary

2 About the Company

4 Review of Operations and Activities

10 Top 20 Investments

11 Income Statement

12 Balance Sheet

13 Summarised Statement of Changes in Equity

14 Holdings of Securities

19 Major Transactions in the Investment Portfolio

20 Company Particulars

21 Shareholder Information

personal use only

MIRRABOOKA IS A LISTED INVESTMENT COMPANY SPECIALISING IN INVESTING IN SMALL AND MEDIUM-SIZED COMPANIES LOCATED WITHIN AUSTRALIA AND NEW ZEALAND. OUR GENERAL DEFINITION OF SMALL AND MEDIUM-SIZED COMPANIES IS THOSE COMPANIES WHICH FALL OUTSIDE THE S&P/ASX 50 LEADERS INDEX.

Half-Year in Summary

	2020	
Profit for the Half-Year	$3.4m	Down 22.8% from 2019
Fully Franked Interim Dividend	3.5¢	3.5 cents in 2019
Net Asset Backing at 31 December 2020	$3.11	$2.54 in 2019
6 Month Total Portfolio Return	33.0% Including franking*	Combined S&P/ASX Small Ordinaries and Mid Cap 50 Accumulation Indices including franking* 21.9%
Share Price at 31 December 2020	$3.25	$2.70 in 2019
6 Month Total Shareholder Return	43.2%	Share price plus dividend
Management Expense Ratio (Annualised)	0.46%	0.53% in 2019
Total Portfolio (Including Cash) at 31 December 2020	$511.9m	$415.3 million in 2019

* Assumes an investor can take full advantage of the franking credits.

Preliminary

About the Company

Mirrabooka is a listed investment company specialising in investing in small and medium-sized companies located within Australia and New Zealand. Our general definition of small and medium-sized companies is those companies which fall outside the S&P/ASX 50 Leaders Index.

Investment Objectives

The Company aims to provide medium to long term investment gains through holding core investments in selected small and mid-sized companies.	To provide attractive fully franked dividend returns.

What We Look For When Investing

Business Quality

- Attractive, sustainable return on capital prospects
- No impediments to continued growth

Financial Strength

- Balance sheet providing resilience and reinvestment potential
- Returns supported by cash flow

Management

- Act like a substantial shareholder, and often are
- Experienced, effective, passionate

personal use only

Approach to Managing the Portfolio

Buy with a medium to long-term view	Holdings often grow with increased conviction or price dips	Monitor holdings for excessive valuations to manage risk
Pay fair value for quality; wary of overpaying	Sell when investment case adversely changes	Maintain a spread of holdings; enhancing consistency of returns

As a long-term investor, Environmental, Social and Governance (ESG) analysis is integrated into Mirrabooka's investment framework:

- Mirrabooka will seek to invest in companies that have strong governance and risk management processes that include environmental and social risks.
- The remuneration structures proposed and used by the boards of the companies in which Mirrabooka invests are assessed as we are seeking remuneration plans and outcomes that align with Mirrabooka's (and Mirrabooka's own investors) interests as long-term shareholders.
- Mirrabooka supports engagement with its investee companies on these issues, and will vote as shareholders accordingly.



personal use only

Review of Operations and Activities

Profit and Dividend

The 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 through 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. This dividend was sourced entirely from taxable capital gains, on which the Company has paid or will pay tax. The amount of the pre-tax attributable gain on this portion of the dividend, known as an 'LIC capital gain', is therefore 5.0 cents per share. These LIC capital gains allows some shareholders to claim a tax deduction in their tax return.

Market and Portfolio Returns

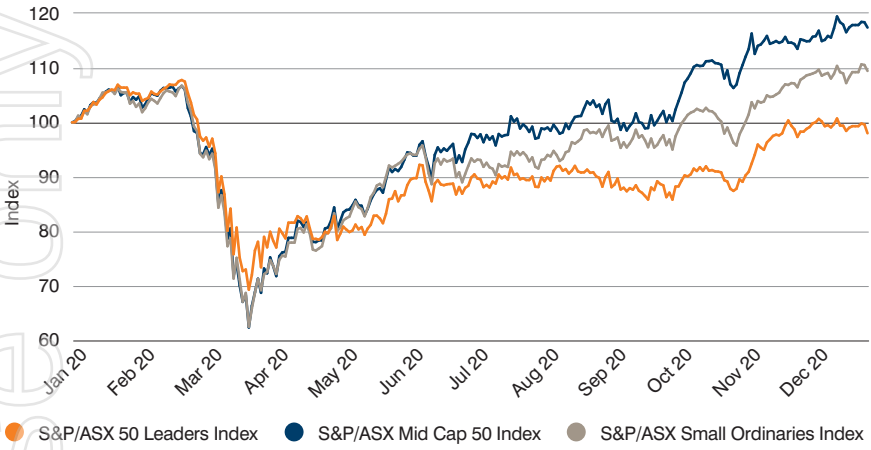
In the disruption caused by the COVID-19 pandemic during the year, investors factored in significant downside risk at the height of the crisis, with smaller companies unsurprisingly facing an even more uncertain outlook.

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 (Figure 1). As confidence grew around various vaccine developments, and the expected continuance of very low interest rates the market recovery continued further over the six months to 31 December 2020. This was particularly evident as many shorter term focused 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 the pandemic (i.e. travel).



personal use only

Figure 1: Small and Mid Cap 50 Sector Performance Versus 50 Leaders – 12 Months to 31 December 2020



Source: FactSet



personal use only

Review of Operations and Activities

continued

Reflective of the quality of the portfolio, Mirrabooka delivered a return for the six months to 31 December 2020, including the benefit of franking, of 33.0 per cent. This was ahead of the Combined Small Ordinaries and Mid Cap 50 benchmark which was up 21.9 per cent, including franking, over the same period. Over the six-month period, the portfolio has benefited from strong share price performance in some of our larger holdings such as Mainfreight, ARB Corporation, Objective Corporation, Reece, Net Wealth, HUB24 and Xero.

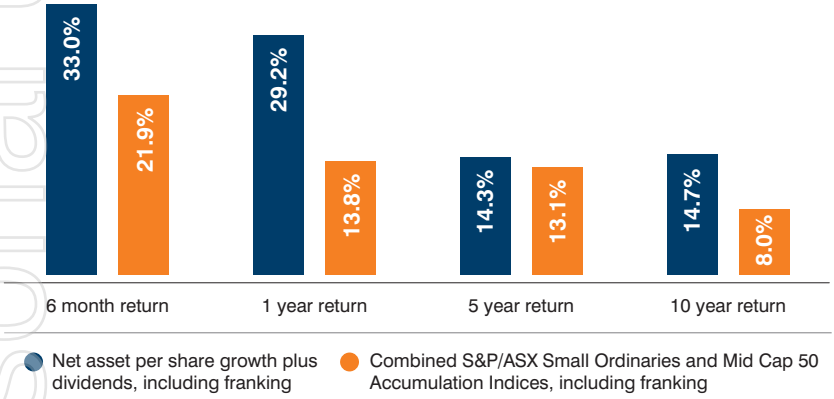
For the 12 months to 31 December 2020, the relative returns were 29.2 per cent for Mirrabooka and 13.8 per cent for the benchmark, with both figures including the benefit of franking (Figure 2).

Share Price Performance

Figure 3 outlines the benefit of compound returns and the value of Mirrabooka's investment approach given the relative total share price return (including dividends and franking) from an investment of $1,000 in Mirrabooka over the 10 years to 31 December 2020. This is compared to the return from the combined Small Ordinaries and Mid Cap 50 Accumulation Indices, including franking.

At 31 December 2020, the share price was trading at a premium of 4 per cent to the net asset backing per share (Figure 4).

Figure 2: Portfolio Return to 31 December 2020*– Including the Full Benefit of Franking



* Annualised returns other than six-month figure.

Note: Mirrabooka's net asset per share growth plus dividend series is calculated after management fees, income tax and capital gains tax on realised sales of investments. It should be noted that Index returns for the market do not include the impact of management expenses and tax on their performance.

Figures assumes an investor can take full advantage of the franking credits.

personal use only

Figure 3: Performance of an Investment of $1,000 in Mirrabooka Shares Including Dividends – 10 Years to 31 December 2020 (Includes the Full Benefit of Franking)

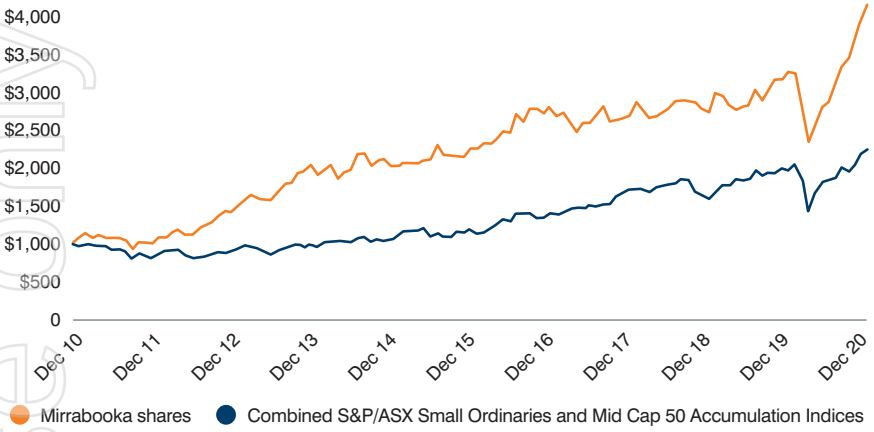
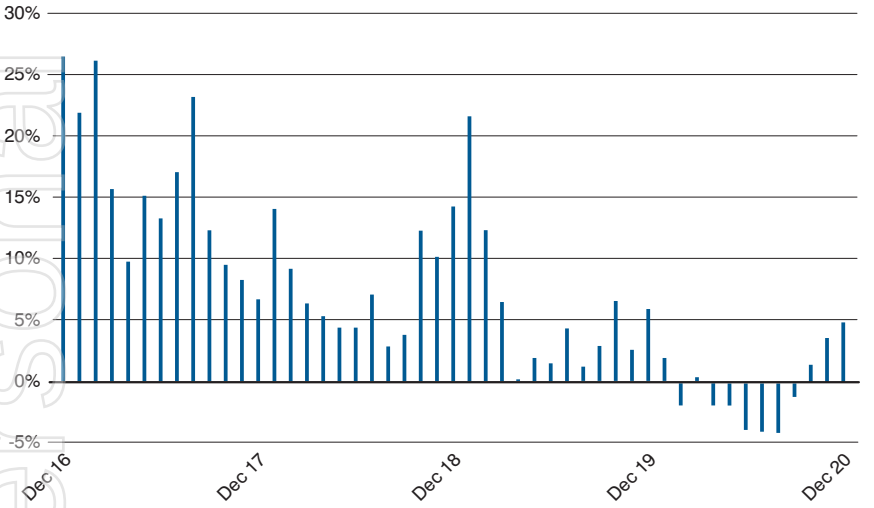


Figure 4: Share Price Relative to Net Asset Backing Per Share



personal use only

Review of Operations and Activities

continued

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 United States.

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 six-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.

Opportunities to Invest

Valuations remain high in the small and mid-cap industrial sectors of the Australian equity market (Figures 5 and 6). In looking forward, a number of factors are likely to influence the market. The ongoing impact of the COVID-19 pandemic and the effectiveness of vaccines will be high on the list of issues for investors to consider as economies try to normalise and governments attempt to manage large fiscal positions. This is against a backdrop where a number of stocks appear to be priced for an outlook that may be difficult to achieve, however very low interest rates seems to be providing strong underlying support for equities.

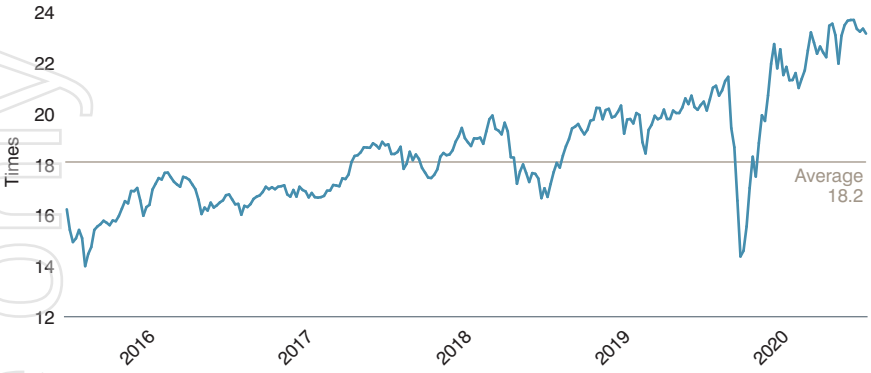
Mirrabooka remains focused on long term opportunities in high-quality companies and we are confident that with patience, future market volatility will provide additional opportunities to invest. At the end of December 2020, Mirrabooka was close to fully invested and therefore announced a share purchase plan with the interim result to provide additional funds for the portfolio.

Directorship Matters

As previously advised to the ASX, the Board is pleased to announce that Antoinette A Kimmitt AM and Greg Richards have been appointed to the Board of the Company with effect from 1 January 2021.

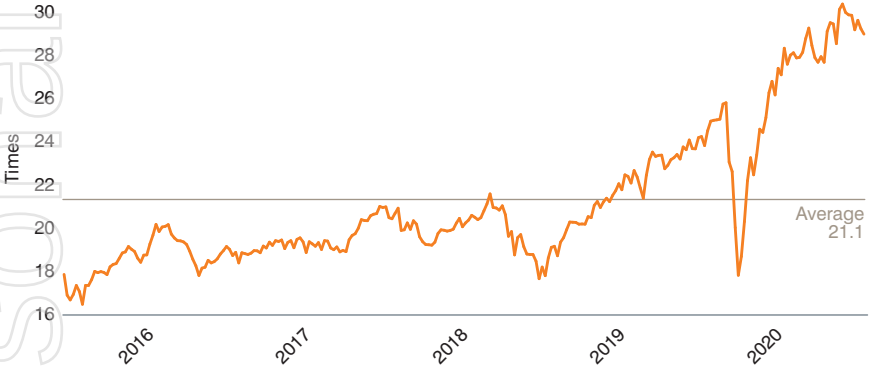
Also, as previously announced in December 2020, Ross Barker will retire from the Board with effect from 31 January 2021. The Board wishes to record their deep appreciation to Ross Barker for his 22 years of outstanding service to the Company and wish him well for the future.

Figure 5: Price Earnings Ratio – Small Ordinaries Industrials



Source: FactSet

Figure 6: Price Earnings Ratio – Mid Cap 50 Industrials



Source: FactSet

personal use only

Top 20 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 the 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 Limited	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
Total		**298.8**	

As a percentage of total portfolio value (excludes cash) 59.4%

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

Performance Only

Income Statement

For the Half-Year Ended 31 December 2020

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

personal use only

Balance Sheet

As at 31 December 2020

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

Investment Portfolio Only

Summarised Statement of Changes in Equity

For the Half-Year Ended 31 December 2020

	Half-Year 2020 $'000	Half-Year 2019 $'000
Total equity at the beginning of the half-year	**349,096**	**345,048**
Dividends paid	(10,447)	(10,430)
Dividend Reinvestment Plan	1,723	1,921
Share capital adjustments	(8)	(9)
Total transactions with shareholders	**(8,732)**	**(8,518)**
Profit for the half-year	3,369	4,362
Revaluation of investment portfolio	123,885	35,257
Provision for tax on revaluation	(37,163)	(10,753)
Revaluation of investment portfolio (after tax)	86,722	24,504
Total comprehensive income for the half-year	**90,091**	**28,866**
Realised gains on securities sold	20,891	17,059
Tax expense on realised gains on securities sold	(5,611)	(5,508)
Net realised gains on securities sold	**15,280**	**11,551**
Transfer from revaluation reserve to realised gains reserve	**(15,280)**	**(11,551)**
Total equity at the end of the half-year	**430,455**	**365,396**

A full set of Mirrabooka's interim accounts are available on the Company's website.

personal use only

Holdings of Securities

As at 31 December 2020

Details of the Company's portfolios are given below. The list should not, however, be used to evaluate portfolio performance or to determine the net asset backing per share (which is recorded each month on the toll free telephone service at 1800 780 784), as individual holdings in the portfolio may change.

Unless otherwise stated, the securities in this list are fully paid ordinary shares, trust units, stapled securities or convertible notes.

Code	Company	Principal Activities	Number Held '000	Market Value $'000
MFT	Mainfreight (NZX listed)	Provider of managed warehousing and international and domestic freight forwarding services	500	32,425
MAQ	Macquarie Telecom Group	Provides voice and telecommunication services as well as data hosting and co-location services to businesses and government customers	471	24,632
ARB	ARB Corporation	Manufacturer and distributor of four-wheel drive vehicle accessories in Australia and internationally	734	22,609
REH	Reece	Distributor and retailer of plumbing, building and hardware supplies	1,298	19,204
NWL	Netwealth Group	A diversified financial services company providing independent investment platform services to institutional, corporate and retail clients	981	15,641
BRG	Breville Group	Manufacturer and wholesaler of electrical consumer products	600	15,342
QUB	Qube Holdings	Provider of import and export logistics services with national operations	5,000	14,700
NXT	NEXTDC	Owns and operates large-scale data centres across Australia	1,178	14,409
SEK	Seek	Operator of employment classifieds websites in Australia and offshore with interests in education and training	495	14,122
CAR	Carsales.com	The largest online automotive classifieds business in Australia. They also have interests in leading online automotive classified businesses in Brazil, South Korea, Malaysia, Indonesia, Thailand and Mexico	657	13,147

personal use only

Code	Company	Principal Activities	Number Held '000	Market Value $'000
XRO	Xero	Develops cloud-based accounting software for small and medium-sized businesses in New Zealand, Australia, the United Kingdom and the United States	89	13,036
JHX*	James Hardie Industries	Building materials company focused on fibre cement products, predominantly in the United States	341	13,009
IRE	IRESS	Provider of share market and wealth management information systems	1,172	12,433
IVC	InvoCare	Provider of services related to funerals, burials and cremations	1,020	11,679
OCL	Objective Corporation	Provider of information technology software and services	965	11,442
EQT	EQT Holdings	Provider of private client, trustee, estate administration and funds management services	427	11,303
AUB	AUB Group	Investor in a network of small to medium Australian insurance brokers	680	11,009
RMD	ResMed	Developer, manufacturer and distributor of medical equipment for treating, diagnosing, and managing sleep-disordered breathing and other respiratory disorders	360	9,803
ALQ	ALS	Provider of analytical laboratory services to mining, life sciences, energy and industrial clients	1,000	9,610
AIA*	Auckland International Airport	Owner and operator of New Zealand's largest airport. It operates through the following segments: aeronautical, retail and property	1,297	9,295
FPH	Fisher & Paykel Healthcare	Designs, manufactures and markets a range of medical devices used in respiratory care and the treatment of obstructive sleep apnoea	295	9,130
APE	Eagers Automotive	Operator of a national footprint of motor vehicle dealerships representing a broad range of car and truck brands in Australia	660	8,771
OZL*	OZ Minerals	Engages in the mining of copper and gold at developed mines as well as engaging in mining exploration and development projects	472	8,682

personal use only

Holdings of Securities

As at 31 December 2020 continued

Code	Company	Principal Activities	Number Held '000	Market Value $'000
PNI	Pinnacle Investments	Develops and operates investment management businesses; and provides distribution services, and business support to its affiliates	1,177	8,354
ALX*	Atlas Arteria	Owns stakes in a number of toll roads in France and the United States	1,204	7,825
FCL	Fineos Corporation	A global software company that provides software solutions to the life, accident and health insurance industry	1,994	7,379
HUB	HUB24	Provider of platform, investment, advisory and stock broking services to institutional, corporate and retail clients	342	7,288
NHF	NIB Holdings	Provider of private health insurance and personalised healthcare services in Australia and New Zealand	1,200	7,164
REA	REA Group	Leading digital media business focusing on online property portals in Australia and overseas	48	7,078
OSH*	Oil Search	Oil and gas explorer, developer and producer with assets predominantly in PNG	1,831	6,776
SPL	Starpharma Holdings	Engages in the research and development of dendrimer products for pharmaceutical, life science and other applications	4,280	6,698
IFM	Infomedia	Engages in the development and provision of applications and information solutions to the after-sales parts and service sector of the automotive industry	3,445	6,649
ANN	Ansell	Designer, manufacturer and distributor of a wide range of industrial, surgical and examination gloves and other protective products	190	6,608
FRE	Freightways	Engages in the provision of express packages and business mail services as well information and destruction services both in Australia and New Zealand	685	6,432
NZX	NZX (NZX listed)	Operates as a securities exchange, and also provides wealth management services for New Zealand advisers via its wealth technologies business	3,500	6,405

personal use only

Code	Company	Principal Activities	Number Held '000	Market Value $'000
RWC	Reliance Worldwide Corporation	Designs, manufactures and distributes products for the plumbing industry including fittings, pipes, valves and thermostatic products	1,500	6,075
TPW	Temple & Webster	A leading online retailer of furnishings and homewares in Australia	537	5,943
CWY	Cleanaway	Engages in the provision of total waste management, industrial, and environment services	2,367	5,562
NXL	Nuix	A leading provider of investigative analytics, eDiscovery and digital forensics software	670	5,531
AWC*	Alumina	40 per cent interest in a joint venture with Alcoa involved in bauxite mining, alumina refining and aluminium smelting	3,000	5,491
TGR	Tassal Group	Producer of Atlantic salmon from Tasmania	1,599	5,372
NAN	Nanosonics	Developer of infection control and decontamination products with a market-leading position in ultrasound disinfection	639	5,133
COE	Cooper Energy	An Australian oil and gas company currently developing the Sole gas project in the Gippsland Basin to complement existing production in the Cooper Basin and Otway Basin	11,840	4,618
CTD	Corporate Travel Management	Provides travel management services to the corporate market. It offers business travel advisory services, bookings, ticketing, diagnostics and recommendations, ancillary services and also provides networking tools	250	4,366
BKW	Brickworks	Australia's largest manufacturer of bricks and pavers, with other investments in property development and listed equities	223	4,291
LIC	Lifestyle Communities	Developer, owner and manager of independent living communities for elderly citizens	331	4,236
SLC	Superloop	A diversified telecommunications business with broadband and connectivity assets in Australia and Asia	3,885	4,118
EVT	Event Hospitality & Entertainment	Entertainment, hospitality and leisure company with interests in cinemas, hotels and resorts	424	4,024

personal use only

Holdings of Securities

As at 31 December 2020 continued

Code	Company	Principal Activities	Number Held '000	Market Value $'000
AD8	Audinate Group	Engages in the development and commercialisation of digital audio network solutions	492	4,007
MKT	Marketplacer (unlisted)	A software company that provides the technology and infrastructure needed to establish and maintain online marketplaces for retail and B2B customers	3,750	3,750
RHP	Rhipe	Provides software licensing and cloud computing services on behalf of a number of large, multinational software vendors	1,980	3,643
PKS	PKS Holdings	A healthcare company which provides clinical decision support software known as 'Rippledown' which automates human decision-making processes in healthcare organisations	9,202	3,497
PSI	PSC Insurance	Owns a number of insurance broking and agency businesses across Australia and the United Kingdom	1,000	3,000
WSP	Whispir	Engages in the provision of communications software and micro applications for enterprises	750	2,700
SHV	Select Harvests	One of Australia's largest growers, processors and packager of nuts, focusing predominantly on almonds	475	2,477
CUP	Countplus	Operates as a holding company with interest in providing accounting and financial services	1,922	2,354
BEX	Bike Exchange (unlisted)	A global online marketplace that facilitates the trade of bicycles and accessories	5,769	1,500
PX1	Plexure Group	Engages in the development and deployment of a real-time customer relationship management solutions, focusing on mobile engagement software services	1,150	1,334
Total				**503,108**

* Indicates options were outstanding against part of the holding.

personal use only

Major Transactions in the Investment Portfolio

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

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

Complete disposals from the portfolio.

New Companies Added to the Investment Portfolio

NIB Holdings

Superloop

Nanosonics

Nuix

Bike Exchange (IPO to be listed February 2021)

personal use only

Company Particulars

Mirrabooka Investments Limited (MIR)
ABN 31 085 290 928

Directors
Terrence A Campbell AO, Chairman

Robert M Freeman, Managing Director

Ross E Barker

Ian A Campbell

Jacinth K Fairley

Antoinette A Kimmitt AM
(appointed 1 January 2021)

David E Meiklejohn AM

Gregory W Richards
(appointed 1 January 2021)

Company Secretaries
Matthew J Rowe
Andrew JB Porter

Auditor
PricewaterhouseCoopers,
Chartered Accountants

Country of Incorporation
Australia

Registered Office and Mailing Address
Level 21, 101 Collins Street
Melbourne, Victoria 3000

Contact Details

Telephone	(03) 9650 9911
Facsimile	(03) 9650 9100
Email	invest@mirra.com.au
Website	mirra.com.au

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

Telephone 1800 780 784 (toll free)

personal use only

Shareholder Information

Share Registrar
Computershare Investor Services Pty Limited
Yarra Falls, 452 Johnston Street
Abbotsford, Victoria 3067

Shareholder
Enquiry Lines 1300 653 924
+61 3 9415 4342
(from overseas)
Facsimile (03) 9473 2500
Website computershare.com.au/contact

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

Securities Exchange
MIR Ordinary shares

Shareholder Meeting
Note the shareholder meetings which are usually held in March in various capital cities have been replaced by a webinar/telephone briefing to be held on 18 March 2021 at 3.30pm.

Registration details for the webinar and dial-in phone number for teleconference participants have been provided in a separate invitation letter/email to shareholders.

personal use only

personal use only

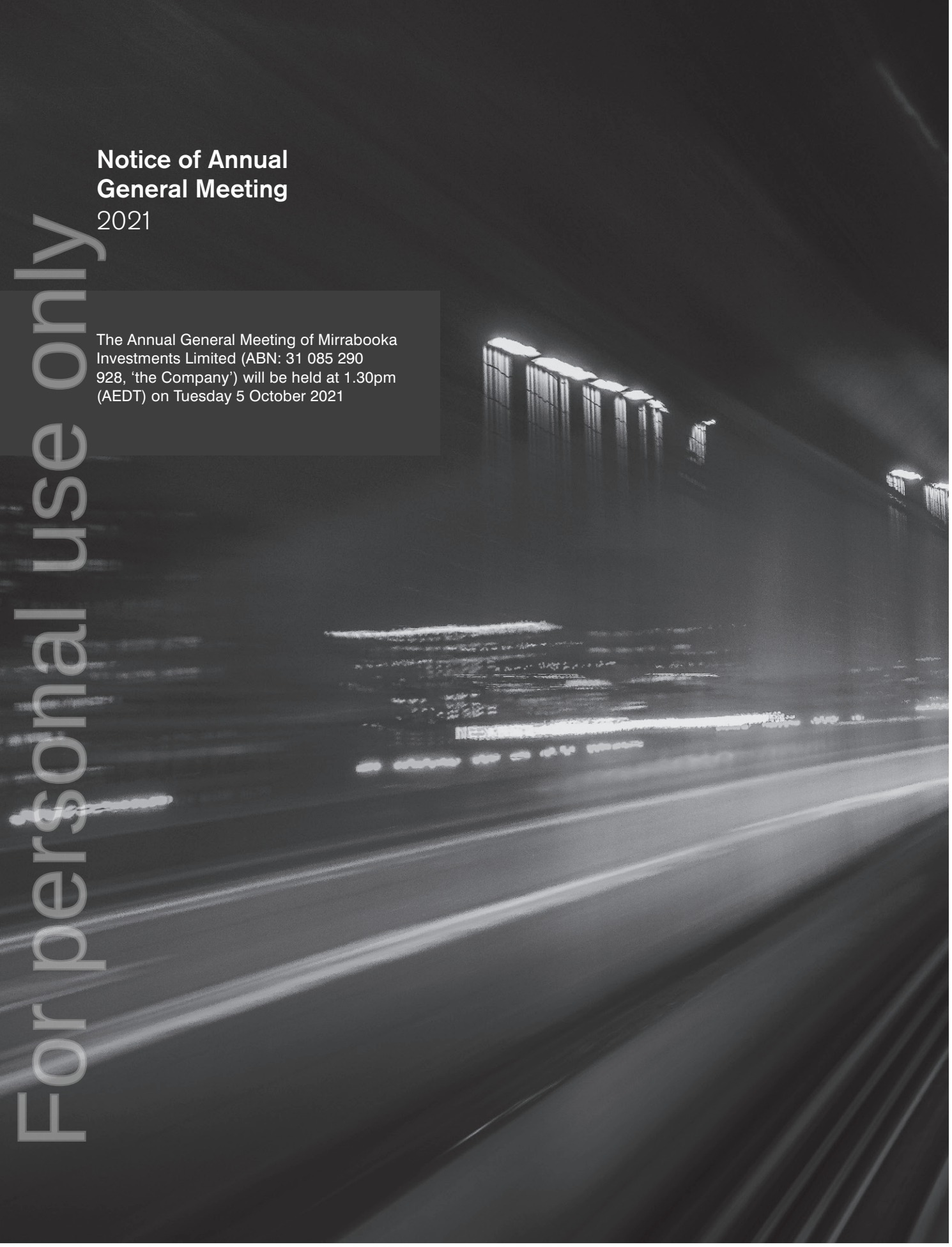


Design: MDM Investorcom
Printed on environmentally friendly paper

For personal use only

Notice of Annual General Meeting
2021

The Annual General Meeting of Mirrabooka Investments Limited (ABN: 31 085 290 928, 'the Company') will be held at 1.30pm (AEDT) on Tuesday 5 October 2021



MIRRABOOKA
Investments Limited

Finding opportunities
in small and medium-sized
companies

MIRRABOOKA
Investments Limited

27 August 2021

Dear Shareholder,

On behalf of the Board of Mirrabooka Investments Limited (Mirrabooka) I confirm that Mirrabooka's 23rd Annual General Meeting (AGM) will be held on **Tuesday 5 October 2021 commencing at 1.30pm** (AEDT). Attached is our Notice of Meeting that sets out the business of the AGM.

Given the continued uncertainty surrounding the COVID-19 pandemic, this year our AGM will be a hybrid one and take place at the **Auditorium, Melbourne Convention and Exhibition Centre (MCEC), 2 Clarendon Street, Southbank, Victoria, Australia** and **via an online platform**.

We are closely monitoring developments in relation to the COVID-19 virus in Australia and we are following guidance from the Federal and State Governments. While shareholders maybe able to attend in person, circumstances relating to COVID-19 can change rapidly and shareholders are encouraged to participate online. Further information regarding the conditions of entry and the COVID-19 safety measures that apply to the meeting are set out on page 11. Should either Federal or State Government guidance provide that a physical meeting is inadvisable or not able to be held, we will revert to a virtual only AGM format and advise shareholders prior to 5 October 2021 via the Company's website at **mirra.com.au** and the ASX announcement platform.

We received positive feedback on the accessibility provided by last year's fully online AGM and this also provides flexibility in the event of further restrictions. You will find details of the hybrid meeting format in the attached Notice of Meeting, together with various methods for you to vote, ask questions and otherwise participate in the meeting.

We look forward to your attendance either in person or virtually.

Yours sincerely

Terry Campbell
Chairman

For personal use only

BUSINESS OF THE MEETING

For personal use only

The Annual General Meeting of **Mirrabooka Investments Limited** (ABN: 31 085 290 928, 'the Company') will be held at **1.30pm (AEDT)** on **Tuesday 5 October 2021** and will take place physically at the **Clarendon Auditorium, Melbourne Convention and Exhibition Centre (MCEC), 2 Clarendon Street, Southbank, Victoria, Australia** and **via an online platform** at **web.lumiagm.com** using code: **321-692-846**.

Shareholders are requested to participate in the AGM in person, via our online AGM platform or via the appointment of a proxy. Further information on how to participate virtually is set out in this Notice and the Online Meeting Guide. Shareholders should refer to page 11 for the possible impact of COVID-19 restrictions on the ability to attend the AGM in person.

The Company has determined that, for the purpose of voting at the meeting, shares will be taken to be held by those persons recorded on the Company's register at **7.00pm (AEDT)** on **Sunday 3 October 2021**.

1. Financial Statements and Reports

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

To consider the Directors' Report, Financial Report and Independent Audit Report for the financial year ended 30 June 2021.

(Please note that no resolution will be required to be passed on this matter).

2. Adoption of Remuneration Report

To adopt the Remuneration Report for the financial year ending 30 June 2021.

(Please note that the vote on this item is advisory only)

3. Re-election of Director

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That Dr Jacinth Fairley, a Director retiring from office in accordance with Rule 46 of the Constitution, being eligible is re-elected as a Director of the Company."

4. and 5. Election of Directors

To consider and, if thought fit, to pass the following resolutions (as ordinary resolutions):

"That Ms Antoinette Kimmitt AM, a Director retiring from office in accordance with Rule 45 of the Constitution, being eligible is elected as a Director of the Company."

"That Mr Gregory Richards, a Director retiring from office in accordance with Rule 45 of the Constitution, being eligible is elected as a Director of the Company."

6. Non-Executive Directors' Fee Cap

To consider and, if thought fit, to pass the following resolution (as an ordinary resolution):

"That the maximum aggregate remuneration which may be paid to the Non-Executive Directors of the Company for their services for each financial year, commencing on 1 July 2021 be increased from $600,000 which was approved by shareholders in 2018 to $750,000 per annum for the purposes of Rule 47 of the Company's Constitution and ASX Listing Rule 10.17."

7. Renewal of Proportional Takeover Provisions in the Constitution

To consider and, if thought fit, pass the following resolution (as a special resolution):

"That, pursuant to Sections 136(2) and 648G of the *Corporations Act 2001* (Cth), the proportional takeover provisions in Rules 79 and 80 of the Company's constitution are renewed for a period of three years from the date of this meeting".

By Order of the Board

Matthew Rowe
Company Secretary
27 August 2021

EXPLANATORY NOTES

For personal use only

The Explanatory Notes below provide additional information regarding the items of business proposed for the Annual General Meeting.

IMPORTANT: Shareholders are urged to direct their proxy how to vote by clearly marking the relevant box for each item on the proxy form.

Please ensure that your properly completed proxy form reaches the share registry by the deadline of 1.30pm (AEDT) on Sunday 3 October 2021.

Where permitted, the Chairman of the meeting intends to vote undirected proxies in favour of all items of business.

1. Financial Statements and Reports

During this item there will be a reasonable opportunity for shareholders to ask questions and comment on the Directors' Report, Financial Statements and Independent Audit Report for the financial year ended 30 June 2021. No resolution will be required to be passed on this matter.

Shareholders who have not elected to receive a hard copy of the Company's 2021 Annual Report can view or download it from the Company's website at:

mirra.com.au/Shareholder-Reports.aspx

2. Adoption of Remuneration Report

During this item there will be a reasonable opportunity for shareholders at the meeting to comment on and ask questions about the Remuneration Report which can be found in the Company's 2021 Annual Report.

As prescribed by the *Corporations Act 2001*, the vote on the proposed resolution is an advisory one.

Voting Exclusions on Item 2

Pursuant to Sections 250BD and 250R of the *Corporations Act 2001* (Cth), votes may not be cast, and the Company will disregard any votes cast, on the resolution proposed in Item 2 ('Resolution 2'):

- by or on behalf of any member of the key management personnel of the Company (a 'KMP member') whose remuneration details are included in the Remuneration Report and includes Directors, or any of their closely related parties, regardless of the capacity in which the votes are cast; or
- by any person who is a KMP member as at the time Resolution 2 is voted on at the Annual General Meeting, or any of their closely related parties, as a proxy,

unless the votes are cast as a proxy for a person who is entitled to vote on Resolution 2:

- in accordance with a direction in the proxy appointment; or
- by the Chairman of the Annual General Meeting in accordance with an express authorisation in the proxy appointment to cast the votes even if Resolution 2 is connected directly or indirectly with the remuneration of a KMP member.

If the Chairman of the Annual General Meeting is appointed, or taken to be appointed, as a proxy, the shareholder can direct the Chairman to vote for or against, or to abstain from voting on, Resolution 2 by marking the appropriate box opposite Item 2 on the proxy form.

Pursuant to Sections 250BD(2) and 250R(5) of the *Corporations Act 2001*, if the Chairman of the meeting is a proxy and the relevant shareholder does not mark any of the boxes opposite Item 2, the relevant shareholder will be expressly authorising the Chairman to exercise the proxy in relation to Item 2.

For personal use only

For the purposes of these voting exclusions:

- A 'closely related party' of a KMP member means (1) a spouse or child of the KMP member, (2) a child of the KMP member's spouse, (3) a dependant of the KMP member or of the KMP member's spouse, (4) anyone else who is one of the KMP member's family and may be expected to influence the KMP member, or be influenced by the KMP member, in the KMP member's dealings with the Company, or (5) a company the KMP member controls.
- The Company will also apply these voting exclusions to persons appointed as attorney by a shareholder to attend and vote at the Annual General Meeting under a power of attorney, as if they were appointed as a proxy.

The Chairman intends to exercise such proxies by voting them in favour of the adoption of the Remuneration Report.

The Board recommends that shareholders vote in favour of adopting the Remuneration Report.

3. Re-election of Director

Dr Jacinth Fairley was elected by shareholders at the 2018 Annual General Meeting and so is required to stand for re-election at this Annual General Meeting.

Her biographical details are as follows:

Jacinth Fairley
BSc, BVSc (Hons), MBA, FTSE, GAICD
Independent Non-Executive Director.
Member of the Audit Committee

Dr Jacinth Fairley was appointed a Director of the Company in February 2018. She is currently the Chief Executive Officer of Starpharma Holdings Ltd, having held this position since 2006. Dr Fairley has more than 30 years of operational experience in the pharmaceutical and biotechnology industries working in business development and senior management roles in companies which include CSL and Faulding/Hospira (now part of Pfizer). Dr Fairley is also Chair of the Invest Victoria Advisory Board and is an adviser to the Carnegie Innovation Fund.

Dr Fairley was formerly a Board member of the Melbourne Business School and a past member of the Australian Federal Government's Commonwealth Science Council and Pharmaceutical Industry Working Group and the Australian Federal Ministerial Biotechnology Advisory Council.

The Board (with the exception of Dr J Fairley) recommends that shareholders vote in favour of the re-election of Dr J Fairley.

4. and 5. Election of Directors

Ms Antoinette Kimmitt AM and Mr Greg Richards were appointed to the Board in January 2021 and so are seeking election by shareholders for the first time.

Antoinette Kimmitt AM
BBus(Acc), FCA. Independent Non-Executive Director. Member of the Audit and Investment Committees.
Antoinette joined the Board in January 2021. Antoinette's executive career has included a range of senior roles with MinterEllison, Ernst & Young and the International Accounting Standards Board (IASB). She joined the IASB at its inception in 2001 and is one of the founding developers of International Financial Reporting Standards (IFRS). She is also a Non-Executive Director of the Trawalla Group.

Antoinette has been a Non-Executive Director and Chair of the Finance, Audit and Risk Committee of the Melbourne Business School since 2010. She was appointed in 2019 as a member of The University of Melbourne's Faculty of Business and Economics Board, and in 2020 joined Monash University's Industry Council of Advisors. She was a member of the Business Council of Australia's Economic Policy and Competitiveness Committee between 2018 and 2021.

The Board (with the exception of Ms Kimmitt AM) recommends that shareholders vote in favour of the election of Ms Kimmitt AM.

Gregory Richards
B.EC (Hons). Independent Non-Executive Director. Member of the Investment Committee.

Greg recently retired from the Board of JB Hi-Fi Limited after being a Non-Executive Director for 12 years including 8 years as Non-Executive Chairman. Greg was also Chair of the JB Hi-Fi Remuneration Committee. Mr Richards has over 25 years experience in the investment banking industry, with 19 years at JBWere and Goldman Sachs JBWere, where he was an equity partner for 17 years, working primarily in equity capital markets. Greg was previously Non-Executive Chairman of Vitaco Holdings Limited.

The Board (with the exception of Mr Richards) recommends that shareholders vote in favour of the election of Mr Richards.

Further information regarding the Company's corporate governance arrangements and the Board's role can be found on the Company's website at:

mirra.com.au/Corporate-Governance.aspx

For personal use only

6. Non-Executive Directors' Fee Cap

It is proposed that the maximum aggregate Non-Executive Directors' fees be increased by $150,000 from the present level of $600,000 to $750,000 per annum. Non-Executive Directors' fees exclude those fees paid to the Managing Director. The maximum aggregate level of Directors' fees has not been increased since 2018. Directors wish to increase the cap on the aggregate remuneration of Directors to provide capacity going forward for new Directors to be appointed or fees to be increased should either be deemed appropriate.

No securities have been issued to any Non-Executive Director of the Company under ASX Listing Rules 10.11 or 10.14 at any time within the last three years.

If Shareholders approve this resolution, the total aggregate amount of Directors' fees payable each financial year will be A$750,000. If Shareholders do not approve this resolution, the total aggregate amount will remain as A$600,000. Further details on the directors' fees can be found in the Company's Annual Report which is available at mirra.com.au.

Voting Exclusions on Item 6

Pursuant to ASX Listing Rule 14.11, the Company will disregard any votes cast in favour of Item 6 by all the Directors and any of their associates. However, the Company need not disregard a vote if:

- if it is cast by a person as proxy for a person entitled to vote in accordance with the directions on the proxy form; or
- It is cast by the person chairing the meeting as proxy for a person who is entitled to vote in accordance with a direction on the proxy form to vote as the proxy decides.
- It also does not apply to a vote cast by a holder acting solely in a nominee, trustee, custodial or other fiduciary capacity on behalf of a beneficiary provided the following conditions are met:
  - the beneficiary provides written confirmation to the holder that they are not excluded from voting, and are not an associate of a person excluded from voting, on the resolution; and
  - the holder votes on the resolution in accordance with directions given by the beneficiary to the holder to vote in favour of the resolution.

In addition, pursuant to Section 250BD(1) of the *Corporations Act 2001*, a person appointed as a proxy must not vote, on the basis of that appointment, on Item 6, if the person is a member of the Company's key management personnel, or is a closely related party of such a member, and the proxy appointment does not specify the way the proxy is to vote on Item 6. This exclusion does not apply if the person appointed as proxy is the Chairman of the meeting and the appointment expressly authorises them to exercise the proxy on Item 6.

7. Renewal of Proportional Takeover Provisions in the Constitution

Board recommendation and undirected proxies: The Board recommends that shareholders vote in FAVOUR of Item 7. The Chairman of the meeting intends to vote undirected proxies in FAVOUR of Item 7.

Background

The *Corporations Act 2001* (Cth) permits a company to include rules in its Constitution which enable the company to refuse to register a transfer of shares resulting from a proportional takeover bid unless shareholders in the bid class in a meeting approve the takeover bid.

It is a requirement of the Corporations Act that such proportional takeover approval provisions in a company's constitution apply for a maximum period of three years, unless earlier renewed. In the case of the Company, such proportional takeover approval provisions (existing Rules 79 and 80 of the Company's constitution) were approved by shareholders at the 2018 AGM and will expire on 9 October 2021.

The Directors consider that it is in the best interests of shareholders to renew these provisions in their existing form. Accordingly, a special resolution is being put to shareholders under section 648G of the Corporations Act to renew Rules 79 and 80 of the Company's constitution.

If approved by shareholders at the meeting, Rules 79 and 80 will operate for three years from the date of the meeting (that is, until 5 October 2024) unless renewed earlier.

Proportional Takeover Bids

A proportional takeover bid involves the bidder offering to buy a proportion only of each shareholder's shares in the target company.

This means that control of the target company may pass without members having the chance to sell all their shares to the bidder. It also means the bidder may acquire control of the target company without paying an adequate premium for gaining control.

To address this possibility, a company may provide in its Constitution that, in the event of a proportional takeover bid being made for shares in the company, the directors must convene a meeting of shareholders to vote on a resolution to approve that bid.

A meeting convened under the proportional takeover approval provisions is treated as a general meeting of the company and the majority decision of the company's members will be binding on all individual members.

Effect of Proposed Proportional Takeover Approval Provisions

Where a proportional takeover bid is made, the Directors must convene a meeting of shareholders to vote on a resolution to approve the proportional bid before the 14th day prior to the closing of the bid period.

The vote is decided on a simple majority. Each person who, as at the end of the day on which the first offer under the takeover bid was made, held bid class shares is entitled to vote. Neither the bidder nor its associates are entitled to vote on the resolution.

If a meeting is not held, Section 648E of the Corporations Act deems a resolution approving the proportional bid to have been passed thereby allowing the proportional bid to proceed. Further, the Directors will contravene the Act if they fail to ensure a resolution to approve the bid is voted on.

For personal use only

If the resolution is rejected, the registration of any transfer of shares resulting from that proportional takeover bid will be prohibited and the bid will be deemed to be withdrawn. If the resolution is passed or deemed to have been passed, the transfer of shares resulting from acceptance of an offer under that bid will be permitted and the transfer of shares will be registered provided they comply with the other provisions of the Constitution.

Rules 79 and 80 will not apply to full takeover bids.

Reason for proposing the resolution
The Directors consider that the renewal of Rules 79 and 80 is in the best interests of all shareholders of the Company. In the Directors' view, shareholders should have the opportunity to vote on a proposed proportional takeover bid.

In the absence of Rules 79 and 80 (as renewed), a proportional takeover bid for the Company may enable effective control of the Company to be acquired by a party who has not offered to acquire 100 per cent of the Company's shares (and, therefore, has not offered to pay a 'control premium' that reflects 100 per cent ownership).

As a result, if a proportional takeover bid for the Company is made:

- shareholders may not have the opportunity to dispose of all their shares; and
- shareholders risk being locked into a minority position in the Company or suffering loss following such a change of control if the bid causes a decrease in the market value of shares.

If Rules 79 and 80 are renewed, the Board considers that this risk will be minimised by enabling shareholders to decide whether or not a proportional takeover bid should be allowed to proceed.

Present Acquisition Proposals

As at the date of this notice, the Directors are not aware of any proposal by any person to acquire, or increase the extent of, a substantial interest in the Company.

Review of Proportional Takeover Approval Provisions

The Corporations Act requires these explanatory notes to discuss retrospectively the potential advantages and disadvantages of the proportional takeover approval provisions for both Directors and shareholders.

While the proportional takeover approval provisions have been in effect, there have been no takeover bids for the Company – either proportional or otherwise. So there are no actual examples against which to review the advantages and disadvantages of the existing proportional takeover approval provisions for the Directors and shareholders of the Company. The Directors are not aware of any potential takeover bid which was discouraged by Rules 79 and 80.

Advantages and Disadvantages

In addition to looking at the provisions retrospectively, the Corporations Act also requires these explanatory notes to discuss the potential future advantages and disadvantages of the proposed proportional takeover approval provisions for both Directors and shareholders.

The Directors consider that there are no advantages or disadvantages for the Directors in renewing the proposed proportional takeover approval provisions. In particular, there is no restriction on their ability to make a recommendation on whether a proportional takeover bid should be accepted.

For shareholders, the potential advantage of renewing the proportional takeover approval provisions is that they provide shareholders with the opportunity to consider, discuss in a meeting called specifically for the purpose, and vote on whether a proportional takeover bid should be approved. This ensures that shareholders have an opportunity to have a say in the future ownership and control of the Company. The Directors believe that this would encourage any future proportional bids to be structured so as to be attractive to a majority of shareholders. It may also discourage the making of a proportional takeover bid that might be considered opportunistic. Finally, knowing the view of a majority of the shareholders may help each individual shareholder to assess the likely outcome of the proportional takeover bid and decide whether or not to accept an offer under the bid.

A potential disadvantage for shareholders arising from renewing the proportional takeover approval provisions is that they may discourage proportional takeover bids being made and may reduce any speculative element in the market price of the Company's shares arising from the possibility of a proportional bid being made. As a result, shareholders may not have the opportunity to dispose of a portion of their shares at an attractive price where the majority rejects an offer from a party seeking control of the Company.

The Directors consider that the potential advantages for shareholders of the proposed proportional takeover approval provisions outweigh the potential disadvantages.

Shareholder Approval

To pass as a special resolution, this item of business requires the support of 75 per cent or more of the votes cast on the resolution.

SHAREHOLDER INFORMATION

Shareholders and Proxyholders have three options for participating at the AGM:

In person

Online via the 'Lumi Online Platform' (access via **web.lumiagm.com** and using meeting ID: **321-692-846**)

Via telephone (listen only)

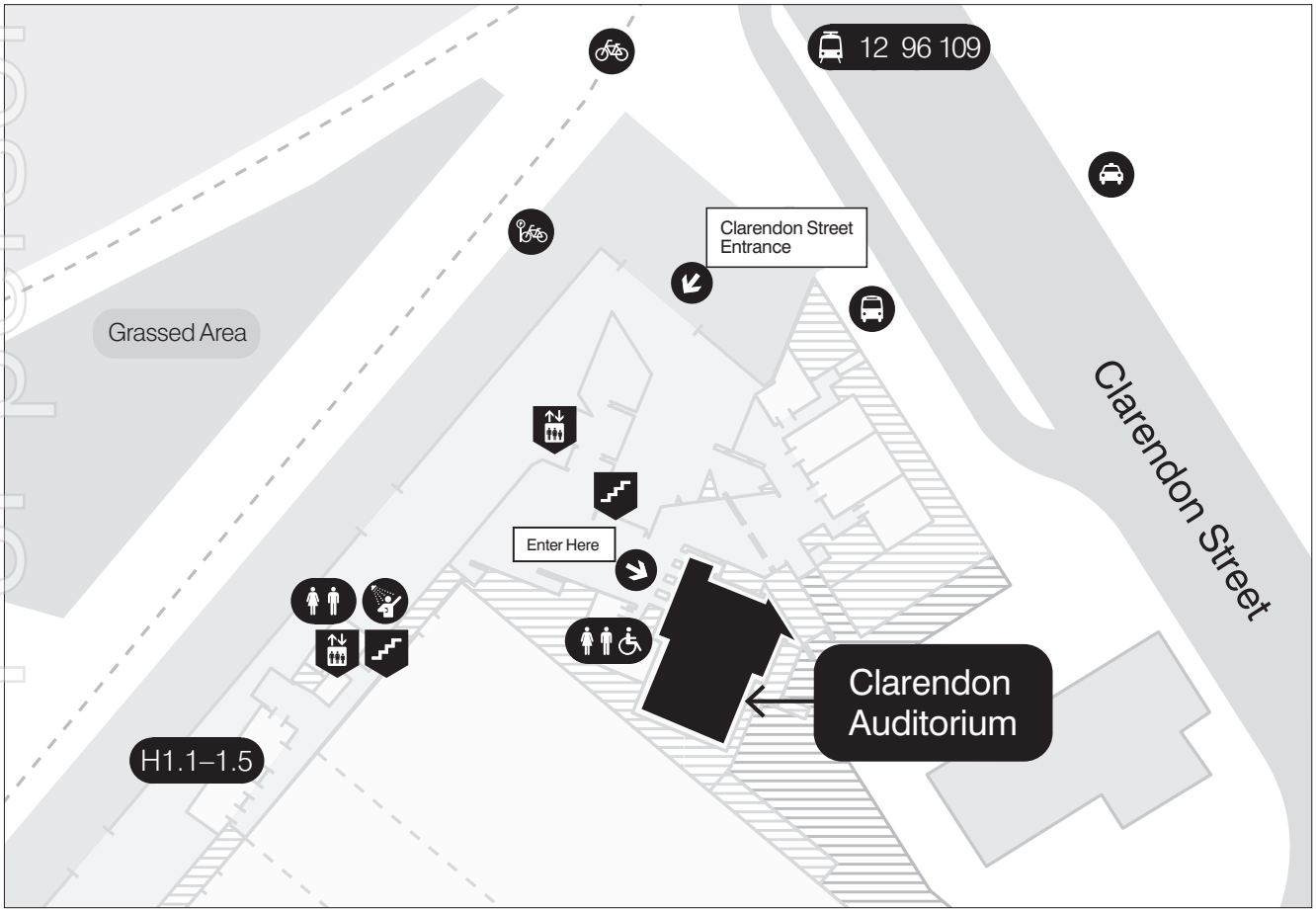
In Person

The AGM will be held at the Auditorium, Melbourne Convention and Exhibition Centre (MCEC), 2 Clarendon Street, Southbank, Victoria, Australia.

Shareholders are currently expected to be able to physically attend the meeting whilst following COVID safe practices at the meeting. Shareholders are encouraged to allow additional time for these COVID safe practices. While shareholder can attend in person, circumstances relating to COVID-19 can change rapidly and shareholders are encouraged to participate online. The Company will continue to monitor Federal and State Government restrictions on public gatherings and should either Federal or State Government guidance provide that a physical meeting is inadvisable or not able to be held, we will revert to a virtual only AGM format and advise shareholders prior to 5 October 2021 via the Company's website at **mirra.com.au** and the ASX announcement platform. Further information regarding COVID-19 safety measures are set out on page 11.

Clarendon Auditorium

Directional Map



For personal use only

For personal use only

Via the Online Platform

Please use the following link **web.lumiagm.com** using code: **321-692-846**.

Using an online platform via a computer, mobile phone or iPad/tablet device with internet access you will be able to join and participate in the meeting.

Shareholders and proxyholders will have the ability to vote and ask questions in real time during the AGM and to hear all of the discussion via the online platform, subject to connectivity of your device. You will need to provide your shareholder details (including your SRN or HIN and registered postcode) to be verified as a shareholder. **Proxy holders will need to phone the Computershare call centre one hour before the meeting to obtain their login details.**

A detailed guide on how to participate virtually is set out in the Online Meeting Guide on our website **mirra.com.au**. This Guide explains how you can ensure your browser is compatible with the online platform, as well as a step-by-step guide to successfully log in and navigate the site.

Via Telephone

To join via the teleconference, please use the details below:

Telephone: 1800 175 864
(free call within Australia)

1300 212 365
(mobile, free call within Australia)

+61 2 8373 3550
(outside Australia)

Conference ID: 5424228

Joining the Conference Call

1. In the 10 minutes prior to the call start time, call the appropriate dial-in number.
2. Enter the Event Plus passcode **5424228**, followed by the pound or # key and leave any information requested after the tone. You will be joined automatically to the conference.

International dial-in numbers will be available via the Company's website. Shareholders and proxyholders will be able to listen into the presentation and discussion via telephone. There will not be a facility to ask questions via the telephone.

Voting Options For the AGM

- Voting in person at the meeting
- Direct voting via the online AGM platform during the AGM
- Appointing a proxy

All Resolutions Will Be Conducted by Poll

As some shareholders may participate virtually in the Meeting each resolution considered at the Meeting will be conducted by a poll. The Board considers voting by poll to be in the interests of the shareholders as a whole and ensures the views of as many shareholders as possible are represented at the Meeting.

Direct Voting Via Online AGM Platform – During the AGM

In accordance the Company's Constitution ('Constitution'), the Directors have determined that at the AGM, a shareholder who is entitled to vote on a resolution at the AGM is entitled to a direct vote in respect of that resolution and have approved the use the online AGM platform as the means by which shareholders can deliver their direct vote in real time during the AGM.

Shareholders can participate in the AGM via the online AGM platform and will be able to vote directly through the online platform in real time. Shareholders and proxyholders can vote directly online at any time between the start of the AGM at 1.30pm (AEST) and the closure of voting as announced by the Chairman during the Meeting.

More information regarding direct voting during the AGM is detailed in the Online Meeting Guide available on our website **mirra.com.au**.

SHAREHOLDER INFORMATION

continued

For personal use only

Proxies

If you cannot attend the meeting online at the scheduled time, you can participate in the AGM by appointing a proxy to attend and vote at the AGM. Shareholders can appoint a proxy on the enclosed Proxy Form, instructions on how to lodge the Proxy Form are contained in the attached Notice of Meeting.

1. A shareholder entitled to attend and vote at this meeting is entitled to appoint not more than two proxies (who need not be members of the Company) to attend, vote and speak in the shareholder's place and to join in any demand for a poll.
2. A shareholder who appoints two proxies may specify a proportion or number of the shareholder's votes each proxy is appointed to exercise. Where no such specification is made, each proxy may exercise half of the votes (any fractions of votes resulting from this are disregarded).
3. **Proxy forms may be lodged online by visiting investorvote.com.au or by scanning the QR Code on the proxy form with a mobile device.**
4. **Relevant custodians may lodge their proxy forms online by visiting intermediaryonline.com**
5. Proxy forms and any authorities (or certified copies of those authorities) under which they are signed may be also delivered, by mail or by fax to the Company's Share Registry (see details below) no later than 48 hours before the meeting, being **1.30pm (AEDT)** on **Sunday 3 October 2021**. Further details are on the proxy form.
6. A proxy need not vote in that capacity on a poll (unless the proxy is the Chairman of the meeting). However, if the proxy's appointment specifies the way to vote on a resolution, and the proxy decides to vote in that capacity on that resolution, the proxy must vote the way specified (subject to the other provisions of this Notice, including the voting exclusions noted above).
7. In certain circumstances the Chairman of the meeting will be taken to have been appointed as the proxy of the relevant shareholder in respect of the meeting or the poll on that resolution even if the shareholder has not expressly appointed the Chairman of the meeting as their proxy. This will occur where:
   - an appointment of a proxy specifies the way the proxy is to vote on a particular resolution; and
   - the appointed proxy is not the Chairman of the meeting; and
   - at the meeting, a poll is called on the resolution; and
   - either of the following apply:
     - if a record of attendance is made for the AGM and the proxy is not recorded as attending; and
     - the proxy does not vote on the resolution.

Corporate Representatives

A body corporate which is a shareholder, or which has been appointed as a proxy, may appoint an individual to act as its representative at the meeting. Evidence of the appointment of a corporate representative must comply with Section 250D of the *Corporations Act 2001* and be lodged with the Company before the AGM.

Attorneys

A shareholder may appoint an attorney to vote on their behalf. To be effective for the meeting, the instrument effecting the appointment (or a certified copy of it) must be received by the deadline for the receipt of proxy forms (see above), being no later than 48 hours before the meeting.

Questions from Shareholders

Shareholders who are unable to attend the meeting or who prefer to register questions in advance are invited to use the question form included with their proxy form or via email **agm@mirra.com**.au. The deadline for receipt of questions by email to be considered at the AGM is **21 September 2021**. During the course of the meeting, the Chairman will endeavour to address the themes most frequently raised in the submitted question forms. Please note that individual responses will not be sent to shareholders.

You may also submit questions and comments during the AGM in real time via the online platform. Please note, only shareholders may ask questions online. More information regarding asking questions during the AGM is detailed in the Online Meeting Guide available on our website **mirra.com.au**.

For personal use only

Share Registry

The Company's Share Registry details are as follows:

Computershare Investor Services Pty Limited

Street Address

Yarra Falls
452 Johnston Street
Abbotsford VIC 3067

Postal Address

GPO Box 242
Melbourne VIC 3001

Telephone

1300 653 924 (within Australia)
+61 3 9415 4342 (outside Australia)

Facsimile

1800 783 447 (within Australia)
+61 3 9473 2555 (outside Australia)

Internet

investorcentre.com/contact

COVID-19 Safety

In attending the meeting, please:

1. Play Your Part to Keep Our Community Safe

- Stay at home if you are feeling unwell
- Adhere to physical distancing measures
- Practice good personal hygiene, wash your hands often
- Follow appropriate cough and sneeze etiquette
- Download the COVIDSafe app

2. Register Your Attendance

Visitor contact details (inclusive of contact name and phone number) must be collected as part of the AGM registration process and for contact tracing purposes. This is in accordance with Victorian Government guidelines to assist with rapid contact tracing in the event of a confirmed COVID-19 case. This can be done via the Services Victoria app by scanning the QR code on your smart device on arrival, or by providing you details to the Share Registry staff when registering your attendance at the AGM.

3. Temperature Checks

To ensure the safety of anyone who enters the venue, MCEC has placed temperature checks at each building entry point. Anyone attending the AGM will be screened on arrival prior to being able to obtain access to the venue. Temperature checks are conducted by non-invasive thermal imaging technology allowing multiple people to be scanned at once or by a handheld device.

4. Restricted Building Access

MCEC has identified a specific entry and exit point to help manage physical distancing and maintain sanitisation stations and temperature checks. The following entry and exit point are identified for building access, however are subject to change based on event demand.

- Clarendon Street entrance which will have a dedicated entrance door.

Please note: Contract tracing information and temperature checks will take place at the entry point, upon entering the building. We thank you for your understanding.

For personal use only



MIRRABOOKA
Investments Limited

ABN 31 085 290 928

Need assistance?

Phone:
1300 653 924 (within Australia)
+61 3 9415 4342 (outside Australia)

Online:
www.investorcentre.com/contact

For personal use only

MIR
MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

YOUR VOTE IS IMPORTANT

For your proxy appointment to be effective it must be received by **1:30pm (AEDT) Sunday 3 October 2021.**

Proxy Form

How to Vote on Items of Business

All your securities will be voted in accordance with your directions. Each resolution considered at the meeting will be conducted by a poll.

APPOINTMENT OF PROXY

Voting 100% of your holding: Direct your proxy how to vote by marking one of the boxes opposite each item of business. If you do not mark a box your proxy may vote or abstain as they choose (to the extent permitted by law). If you mark more than one box on an item your vote will be invalid on that item.

Voting a portion of your holding: Indicate a portion of your voting rights by inserting the percentage or number of securities you wish to vote in the For, Against or Abstain box or boxes. The sum of the votes cast must not exceed your voting entitlement or 100%.

Appointing a second proxy: You are entitled to appoint up to two proxies to attend the meeting and vote on a poll. If you appoint two proxies you must specify the percentage of votes or number of securities for each proxy, otherwise each proxy may exercise half of the votes. When appointing a second proxy write both names and the percentage of votes or number of securities for each in Step 1 overleaf.

A proxy need not be a securityholder of the Company.

SIGNING INSTRUCTIONS FOR POSTAL FORMS

Individual: Where the holding is in one name, the securityholder must sign.

Joint Holding: Where the holding is in more than one name, all of the securityholders should sign.

Power of Attorney: If you have not already lodged the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.

Companies: Where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please sign in the appropriate place to indicate the office held. Delete titles as applicable.

Lodge your Proxy Form: XX

Online:

Lodge your vote online at www.investorvote.com.au using your secure access information or use your mobile device to scan the personalised QR code.

Your secure access information is

Control Number: 999999
SRN/HIN: I9999999999
PIN: 99999

For Intermediary Online subscribers (custodians) go to www.intermediaryonline.com

By Mail:

Computershare Investor Services Pty Limited
GPO Box 242
Melbourne VIC 3001
Australia

By Fax:

1800 783 447 within Australia or
+61 3 9473 2555 outside Australia

PLEASE NOTE: For security reasons it is important that you keep your SRN/HIN confidential.

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

☐ **Change of address.** If incorrect, mark this box and make the correction in the space to the left. Shareholders sponsored by a broker (reference number commences with 'X') should advise their broker of any changes.

I 9999999999 I N D

Proxy Form

Please mark ☒ to indicate your directions

STEP 1 Appoint a proxy to vote on your behalf

XX

I/We being a shareholder/s of MIRRABOOKA INVESTMENTS LIMITED hereby appoint

☐ **the Chairman of the meeting** **OR** _____

PLEASE NOTE: Leave this box blank if you have selected the Chairman of the meeting. Do not insert your own name(s).

or failing the individual or body corporate named in relation to the meeting generally or in relation to a poll on a given resolution, or if no individual or body corporate is named, the Chairman of the meeting, as my/our proxy to act generally at the meeting or in relation to a poll on the given resolution (as applicable) on my/our behalf, including to vote in accordance with the following directions (or if no directions have been given, and to the extent permitted by law, as the proxy sees fit), at the Annual General Meeting of **Mirrabooka Investments Limited** to be held **at the Auditorium, Melbourne Convention and Exhibition Centre (MCEC), 2 Clarendon Street, Southbank, Victoria and via an online platform at 1.30pm (AEDT) on Tuesday 5 October 2021** and at any adjournment or postponement of that meeting.

Chairman to vote undirected proxies in favour: I/We acknowledge that the Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

Chairman authorised to exercise proxies on remuneration related matters: If I/we have appointed the Chairman of the meeting as my/our proxy (or the Chairman of the meeting becomes my/our proxy by default), I/we expressly authorise the Chairman of the meeting (to the extent permitted by law) to exercise my/our proxy in respect of Items 2 and 6 even though the items are connected directly or indirectly with the remuneration of a member of key management personnel of Mirrabooka Investments Limited, which includes the Chairman of the meeting.

STEP 2 Items of Business

PLEASE NOTE: If you mark the **Abstain** box for an item, you are directing your proxy not to vote on your behalf on a poll and your votes will not be counted in computing the required majority.

		For	Against	Abstain
Item 2	Adoption of Remuneration Report	☐	☐	☐
Item 3	Re-election of Director - Dr Jacinth Fairley	☐	☐	☐
Item 4	Election of Director - Ms Antoinette Kimmitt AM	☐	☐	☐
Item 5	Election of Director - Mr Gregory Richards	☐	☐	☐
Item 6	Non-Executive Directors' Fee Cap	☐	☐	☐
Item 7	Renewal of Proportional Takeover Provisions in the Constitution	☐	☐	☐

Board recommendations and undirected proxies: The Board recommends shareholders vote in favour of each item of business. The Chairman of the meeting intends to vote undirected proxies in favour of each item of business, to the extent permitted by law.

SIGN Signature of Shareholder(s) *This section must be completed.*

Individual or Shareholder 1	**Shareholder 2**	**Shareholder 3**
Sole Director and Sole Company Secretary	**Director**	**Director/Company Secretary**

Contact Name _____ **Contact Daytime Telephone** _____ **Date** / /

278355_01_V2

M I R 2 7 8 3 5 5 A

Computershare

For personal use only

MIRRABOOKA
Investments Limited

ABN 31 085 290 928

All correspondence to:
MIR Share Registrar
Computershare Investor Services Pty Limited
GPO Box 242
Melbourne Victoria 3001
Australia

For personal use only

MIR

MR SAM SAMPLE
FLAT 123
123 SAMPLE STREET
THE SAMPLE HILL
SAMPLE ESTATE
SAMPLEVILLE VIC 3030

Securityholder Reference Number (SRN)

I 9999999999 I ND

Questions from Shareholders

The Annual General Meeting (AGM) of Mirrabooka Investments Limited will be held virtually at 1.30pm (AEDT) on Tuesday 5 October 2021. Shareholders who are unable to attend the meeting, or who prefer to register questions in advance, are invited to submit any questions they have by completing and returning this form.

Please return your completed question form to our Share Registrar, Computershare Investor Services Pty Limited, GPO Box 242, Melbourne VIC 3001, or by facsimile to 1800 783 447 (outside Australia +61 3 9473 2555) by Tuesday 21 September 2021. The envelope provided for the return of your proxy form may also be used for this purpose.

You may also submit written questions to the auditor if the questions are relevant to the content of the auditor's report or the conduct of the audit of the financial statements to be considered at the AGM.

We will endeavour, during the course of the AGM, to address the themes most frequently raised in the submitted question forms. Please note that individual responses will not be sent to shareholders.

Question(s): **Please mark [X] if it is a question directed to the auditor**

1 ☐

2 ☐

3 ☐

4 ☐