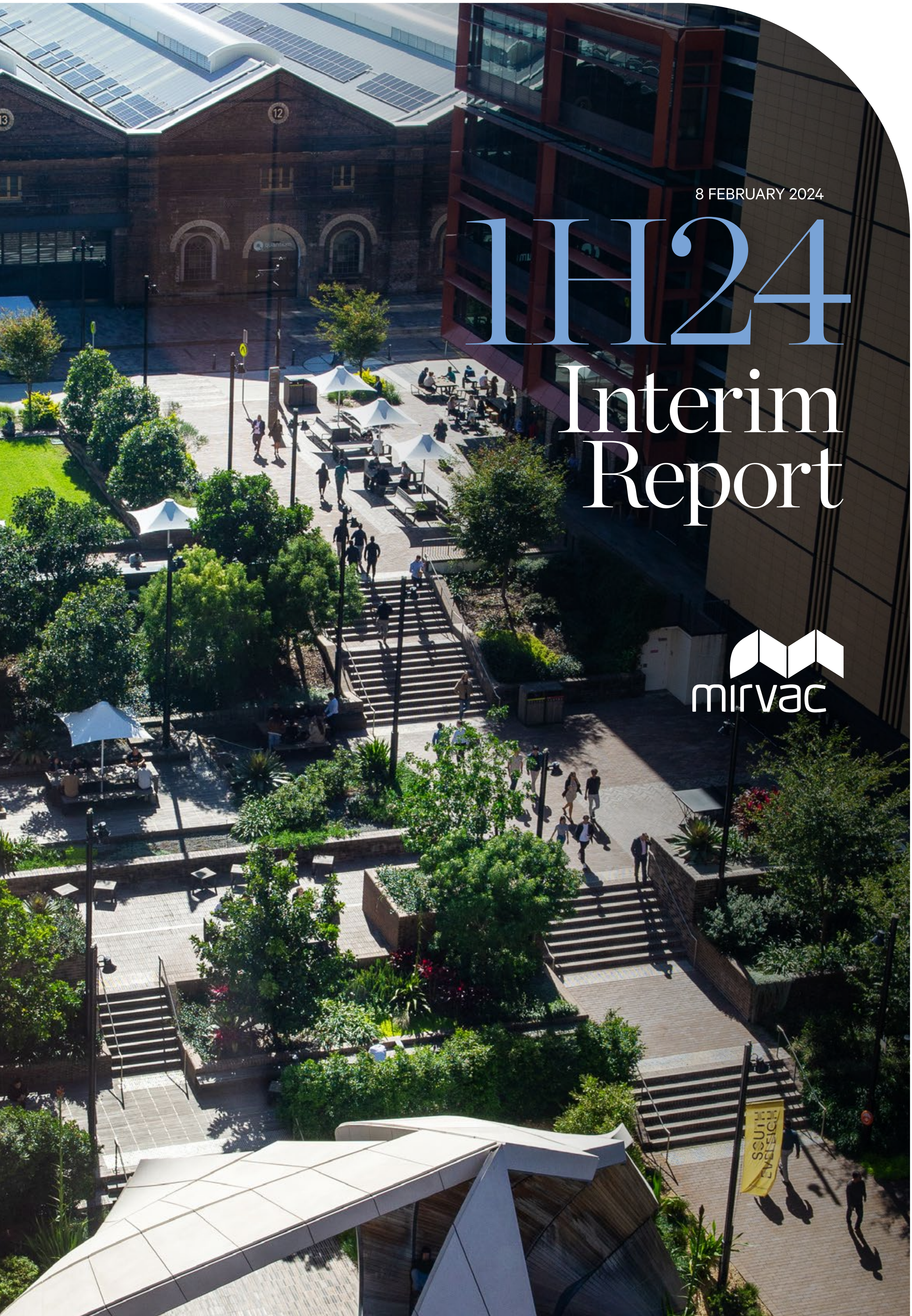
8 FEBRUARY 2024

1H24 Interim Report



INTERIM REPORT

For the half year ended 31 December 2023

Mirvac Group comprises Mirvac Limited (ABN 92 003 280 699) and its controlled entities (including Mirvac Property Trust (ARSN 086 780 645) and its controlled entities)

ABOUT THIS REPORT

The Interim Report 2024 is a consolidated summary of Mirvac Group's operational and financial performance for the half year ended 31 December 2023. In this report, unless otherwise stated, references to 'Mirvac', 'Group', 'company', 'parent entity', 'we', 'us' and 'our' refer to Mirvac Limited and its controlled entities as a whole. Mirvac comprises Mirvac Limited (parent entity) and its controlled entities, which include Mirvac Property Trust and its controlled entities. References to a 'half year' relate to the period between 1 July 2023 and 31 December 2023. All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated. The consolidated financial statements included in this report were authorised for issue by the Directors on 8 February 2024. The Directors have the power to amend and reissue the financial statements. This Interim Report does not include all the information and disclosures usually included in an annual financial report. Accordingly, this report should be read in conjunction with the FY23 Annual Report and any public announcements made by Mirvac during the interim reporting period. Mirvac's Interim Report can be viewed on or downloaded from Mirvac's website: www.mirvac.com.

ABOUT MIRVAC

Mirvac is an Australian Securities Exchange (ASX) top 100 company, with an integrated asset creation and curation capability. For more than 50 years, we've been dedicated to shaping Australia's urban landscape, with a strong focus on sustainability, innovation, safety, and placemaking. We have approximately $24bn of assets under management, together with an $11bn commercial and mixed-use development pipeline, and a $20bn residential development pipeline, enabling us to deliver innovative, sustainable, and high-quality real estate for our customers, while driving long-term value for our securityholders.

Our integrated approach gives us a competitive advantage across the entire lifecycle of a project: from planning through to design, development and construction, leasing, property management and long-term ownership. Meanwhile, our purpose, Reimagine Urban Life, inspires us to think about how we can redefine the landscape and create more sustainable, connected and vibrant urban environments for our customers, leaving a lasting legacy for generations to come.

Located in Australia's key cities of Sydney, Melbourne, Brisbane, Canberra and Perth, we have an unmatched reputation for delivering superior products and services across our businesses.

REVIEW OF OPERATIONS AND ACTIVITIES

1H24 RESULTS AND PERFORMANCE SUMMARY

Mirvac delivered a solid operating result over the six months to 31 December 2023 (1H24), despite ongoing challenges, driven by higher interest rates, elevated insolvencies in the construction sector, softened capital demand in the office sector, and cautious sentiment in the residential market. Our operating profit after tax was $252m, or 6.4 cents per stapled security (cpss), and our distribution was 4.5cpss for the period, representing a payout ratio of 70 per cent. We expect earnings to be skewed towards the second half of the financial year due to timing of development programs and contributions from capital partnership opportunities.

Our statutory loss for the period was $201m (1H23: $215m profit), driven by investment property devaluations of $396m. This was largely attributable to capitalisation rate expansion across our office and industrial portfolios. Operating earnings were also lower than 1H23, with income from our Investment portfolio impacted by the sale of non-core assets. In addition, the development profit contribution was lower due to the timing of Commercial & Mixed-Use (CMU) transactions skewed towards the second half of FY24.

Key updates from the past six months:

> progressed our non-core asset sales program, with the sale of 60 Margaret Street and MetCentre, Sydney, in line with June book value, and the unconditional exchange of 383 La Trobe Street, Melbourne
> maintained high occupancy of 96.9 per cent across the Investment portfolio [1] and leased approximately 90,000sqm of net lettable area across Office, Industrial and Retail
> maintained occupancy of 98 per cent at LIV Indigo, Sydney and achieved leasing of 83 per cent at LIV Munro, Melbourne, while progressing construction at LIV Aston and LIV Albert Fields in Melbourne, and LIV Anura in Brisbane
> acquired a 47.5 per cent interest in the $1bn Serenitas platform, alongside Pacific Equity Partners and Tasman Capital Partners, expanding our residential customer offering into the land lease communities sector
> achieved practical completion at Switchyards, Auburn, Sydney delivering new, recurring income to the Group
> settled Aspect North into the Mirvac Industrial Venture [2]
> secured further pre-commitments at 55 Pitt Street, Sydney
> progressed construction across our CMU development pipeline, including completion of the first warehouse at Aspect Industrial Estate, Sydney
> achieved 1,131 residential lot settlements, with first settlements commencing at apartment projects, Green Square, The Langlee and Nine at Willoughby in Sydney
> restocked our Residential pipeline, securing 7,200 lots in Qld on capital efficient terms [3] and rezoning Mulgoa, NSW for approximately 1,200 lots.

FINANCIAL PERFORMANCE

	1H24 $m	1H23 $m	Movement $m
Investment EBIT	**309**	320	(11)
Funds EBIT	**16**	15	1
Development EBIT	**86**	94	(8)
Segment EBIT	**411**	429	(18)
Unallocated overheads	**(39)**	(42)	3
Group operating EBIT	**372**	387	(15)
Operating profit after tax	**252**	305	(53)
Development revaluation	**13**	(19)	32
Investment property revaluation	**(396)**	35	(431)
Other non-operating items	**(70)**	(106)	36
Statutory profit/(loss) attributable to stapled securityholders	**(201)**	215	(416)

KEY PERFORMANCE METRICS

	1H24	1H23	Movement
EPS (cpss) [4]	**6.4**	7.7	(1.3)
DPS (cpss)	**4.5**	5.2	(0.7)
Net Tangible Assets ($ per security) [5]	**2.56**	2.79	(0.23)

1. By area and excluding Build to Rent.
2. Profit recognition is subject to final planning approval, which is expected in 2H24.
3. Contracts exchanged, subject to conditions precedent.
4. Calculated on operating profit after tax.
5. NTA per stapled security excludes intangibles, right-of-use assets and deferred tax assets, based on ordinary securities, including Employee Incentive Scheme (EIS) securities.

REVIEW OF OPERATIONS AND ACTIVITIES

GROUP CASH FLOW

The Group's operating cash flow in 1H24 of $27m was up $226m on 1H23, primarily driven by higher volumes and value of Sydney apartment settlements, including Nine at Willoughby, The Langlee and Green Square. This was partly offset by a lower contribution from Investment, due to non-core asset sales, and lower proceeds from CMU, with 1H23 benefitting from the sell down of 34 Waterloo Road, Sydney.

Investing cash flow of $101m increased by $364m on 1H23, primarily driven by lower investment cash flow in Build to Rent (BTR), after securing capital partners in the BTR Venture, as well as receipt of loan repayment to Blackstone following settlement of 60 Margaret Street and MetCentre, Sydney. 1H23 also included payment to acquire Morgan Stanley's 49 per cent interest in Switchyards, Sydney.

Financing cash flow of ($23m) improved by $6m on 1H23, driven by higher net external debt movement, partly offset by a higher distribution.

	1H24 $m	1H23 $m	Movement $m
Operating cash flow	**27**	(199)	226
Investing cash flow	**101**	(263)	364
Financing cash flow	**(23)**	(29)	6

CAPITAL MANAGEMENT

Our prudent approach to capital management in 1H24 ensured we continued to maintain sufficient liquidity and financial flexibility to manage through a challenging operating environment and take advantage of future growth opportunities as they emerged. Despite the volatility in markets, our capital position and balance sheet remain strong, and we continue to focus on having diversified sources of capital, maintaining a long weighted average debt maturity, and limiting debt expiries in any one year.

Key outcomes of our capital management approach in 1H24 included:

> a well-diversified maturity profile and a weighted average debt maturity of 4.7 years, with only $136m of drawn debt facilities due for repayment over the next 12 months

> $1.1bn of cash and undrawn debt facilities as at 31 December 2023

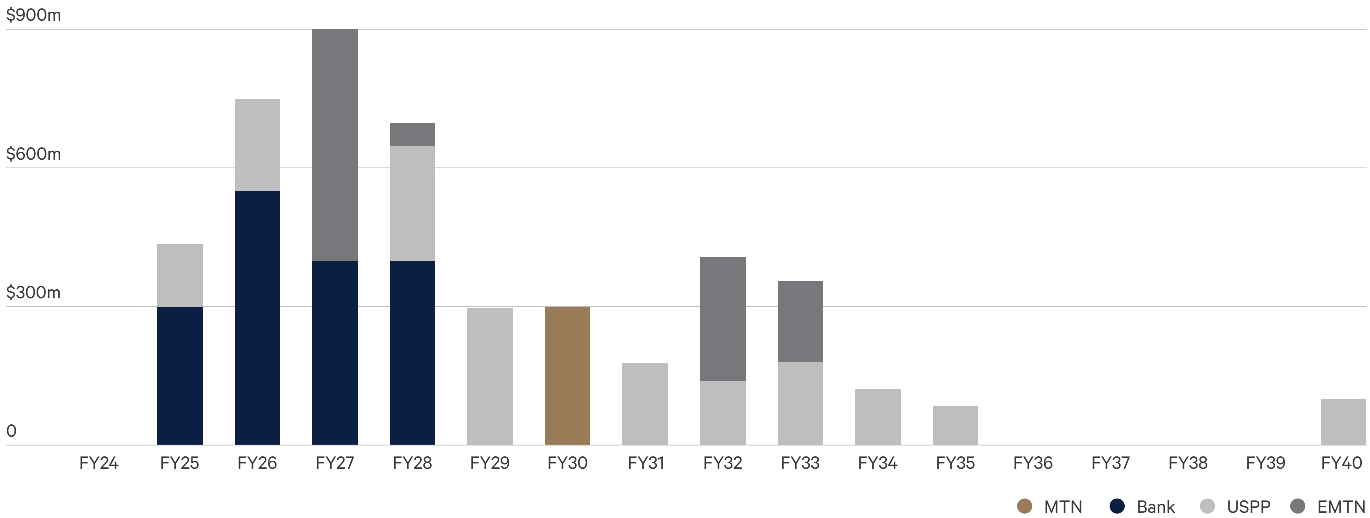
> all new or refinanced debt facilities in the period certified as green loans, in line with our sustainability philosophy. Our total debt portfolio now comprises 43 per cent of green loans

> gearing within our target range of 20-30 per cent at 27.2 per cent

> A- and A3 credit ratings, with stable outlooks from Fitch Ratings and Moody's Investor Services maintained.

	1H24	FY23	Movement
Gearing (%) [1]	**27.2**	25.9	1.3
Liquidity ($m)	**1,072**	1,352	(280)
Weighted average debt maturity (years)	**4.7**	5.0	(0.3)
Net debt ($m)	**4,403**	4,318	85
Average borrowing rate (% per annum as at 31 December)	**5.5**	5.4	0.1
Credit rating (Fitch Ratings/Moody's Investor Services)	**A-/A3**	A-/A3	—

Drawn debt maturities as at 31 December 2023



1. Net debt (at foreign exchange hedged rate) / tangible assets – cash.

REVIEW OF OPERATIONS AND ACTIVITIES

GROUP OUTLOOK [1]

There are signs that interest rates are at or near peak level, which, along with falling inflation, position us well to capitalise on a market recovery across all of our operating segments. Our modern Investment portfolio with low capital expenditure is well located and will continue to deliver a resilient and stable passive income stream over time.

Capital efficiency remains a key focus. We expect to continue to divest non-core assets and use the proceeds to fund our development pipeline. Combined with third-party capital aligned to our vision of creating world-class assets, this will help to ensure that our portfolios are able to deliver sustainable returns over the long term.

Over the second half of the year, we will continue to focus on the delivery of residential projects, progressing tenant pre-commitments on key CMU projects, and securing capital partners for a number of development projects.

Subject to no material change in the operating environment, we have reaffirmed guidance of operating earnings per security of 14.0-14.3 cents in FY24 and distribution per security of at least 10.5 cents.

INVESTMENT

Our Investment portfolio comprises assets across office, industrial, retail and build to rent, with approximately $11.2bn [2] of assets on our balance sheet.

In 1H24, the Investment portfolio delivered EBIT of $309m, down 3 per cent on 1H23. This was driven by the impact of non-core asset sales on earnings, which included the sale of 60 Margaret Street and MetCentre, Sydney, for $389m, which was in line with reported book value in June 2023. Contracts were also exchanged for the sale of 383 La Trobe Street, Melbourne for $88m, with settlement expected in 2H24.

The impact of non-core asset sales was offset by:

> additional income from our co-investment in the Mirvac Wholesale Office Fund (MWOF)

> solid like-for-like net operating income (NOI) growth, reflecting a return to more normalised operating conditions

> additional income from completed developments, including Heritage Lanes, 80 Ann Street, Brisbane and Switchyard, Auburn, Sydney.

High inflation and increasing bond yields contributed to low volumes of property transactions during the period. This resulted in softening capitalisation rates and an overall loss in investment property valuations of $396m.

	1H24 $m	1H23 $m	Movement $m
Net operating income			
Office	**201**	205	(4)
Industrial	**32**	28	4
Retail	**80**	89 [3]	(9)
Build to Rent	**2**	4	(2)
Management and administration expenses	**(6)**	(6) [3]	—
Investment EBIT	**309**	320 [3]	(11)
Investment property revaluation [4]	**(396)**	35	(431)
Total Investment return	**(87)**	355	(442)

Portfolio Metrics	1H24	1H23	Movement
Investment portfolio value ($m) [2]	**11,214**	12,090	(876)
Weighted average capitalisation rate (%)	**5.48**	4.99	0.49
Occupancy (%) [5]	**96.9**	97.6	(0.7)
Cash collection (%)	**97**	98	(1)
Weighted average lease expiry (years) [6]	**5.2**	5.3	(0.1)
Leasing (sqm) [7]	**89,782**	106,992	(17,210)

INVESTMENT OUTLOOK [1]

Office

The rising cost of debt has impacted office markets both domestically and globally, resulting in a slowdown in capital market activity and decreased asset valuations. There have been limited transactions over the past 18 months, with assets that have transacted taking longer to settle. In CBD markets, face rental growth is apparent, albeit vacancy and incentives remain elevated. There continues to be a pronounced bifurcation of tenant and capital demand for new, Premium-grade, core-CBD, sustainable assets, reflected in lower vacancy, stronger rent growth, and tighter capitalisation rates. Our office portfolio, which is 100 per cent weighted to Prime-grade assets and has an average age of 9.3 years, is well placed to benefit from this trend.

1. These statements are future looking and based on our reasonable belief at the time they were made. They include possible outlooks for our operating environments, but are subject to external factors outside of Mirvac's control.
2. Includes co-investment equity values, assets held for sale, and properties being held for development, and excludes IPUC and gross up of lease liability under AASB 16.
3. Restated to reflect Mirvac's new segment reporting structure, which commenced the financial year ended 30 June 2023.
4. Excludes investment properties under construction.
5. By area, excluding Build to Rent.
6 By income, excluding Build to Rent.
7. Excludes Build to Rent.

REVIEW OF OPERATIONS AND ACTIVITIES

INVESTMENT OUTLOOK *continued*[1]

Industrial

Fundamental drivers of the logistics sector remain broadly positive, with persistent strong structural tailwinds in the form of population and e-commerce growth, tempered by inflationary pressures and monetary policy. Over the past six months, demand for institutional-grade warehouse space has moderated, with consumer demand for goods stabilising and supply chains exhibiting signs of normalisation. Our industrial portfolio, which is 99 per cent occupied and 100 per cent weighted to Sydney, is expected to benefit from improvements in market rental growth and continued capital demand for high-quality and well-located industrial assets. Upcoming development completions are also expected to bolster our recurring income stream.

Retail

Retail fundamentals remain positive and sales activity remains resilient across most categories, although a gradual moderation in spending has been evidenced. We expect the higher inflationary and interest rate environment to persist in the short term, placing downward pressure on spending, particularly discretionary spending. Momentum in the investment market has also moderated, with the gap in pricing expectation between buyers and owners contributing to yield expansion. While economic headwinds remain, our urban-based retail portfolio is well placed to benefit from strong population growth and low unemployment.

Build to Rent

Rental demand remains strong, supported by low unemployment, migration, and population growth in cities. A higher interest rate environment and low residential supply continue to create affordability challenges for home buyers, resulting in historically low vacancy rates and continual demand for rental product. Our Build to Rent portfolio is well placed to benefit from tight rental market conditions and a more supportive policy environment, which recognises the important role build to rent can play in addressing the housing supply shortage in Australia's capital cities.

FUNDS

We have $16.4bn in third-party capital under management with domestic and international partners, which includes funds, mandates, and joint ventures across all sectors. Key to our funds management strategy is our continued engagement with aligned capital partners to cater for future mutual growth ambitions, including through the delivery of our multi-sector development pipeline.

Funds and Asset Management EBIT in 1H24 was impacted by the absence of performance fees recorded in 1H23 and softer asset valuations, offset by new funds established in the past 12 months. However, the long-term performance of managed vehicles remained strong on a relative basis. Our $7bn MWOF continued to outperform the benchmark over two, three, five and seven years.

Funds Management

Our Funds platform continues to grow through the incremental conversion of our current development pipeline. During the half year, the Mirvac Industrial Venture, in which we have a 51 per cent interest, acquired Aspect North at Kemps Creek, Sydney. Aspect North provides approximately 80,000 square metres of high-quality industrial space in the recently rezoned Mamre Road precinct of Kemps Creek, close to construction of the new Western Sydney International (Nancy-Bird Walton) Airport.

Within the Build to Rent Venture (the Venture), launched in June 2023, significant leasing progress was made at Mirvac's operational build to rent assets – LIV Indigo, Sydney and LIV Munro, Melbourne – while construction continued across Mirvac's build to rent development pipeline, including LIV Aston and LIV Albert Fields, Melbourne, and LIV Anura, Brisbane. The Venture has approximately 2,200 lots in its secured pipeline and an expected end value of $1.8bn. The Venture supports our vision to increase our exposure to the build to rent sector and grow our portfolio to at least 5,000 apartments in the medium term, and plays a key role in helping solve the housing and rental shortfall in Australia. Mirvac provides investment management, property management, development management and construction services to the Venture.

Asset Management

We have $24bn of assets under management, which includes assets owned by Mirvac – including direct investments managed by Investment – as well as assets that sit within our third-party funds. Our Asset Management team provides quality real estate operations, leasing services, and portfolio management to all assets under management, and supports Development with pre-leasing at our new commercial assets, as well as providing operational expertise throughout the asset creation phase.

	1H24 $m	1H23 $m	Movement $m
Funds Management EBIT	**13**	15	(2)
Asset Management EBIT	**17**	16	1
Management and administration expenses	**(14)**	(16)	2
Funds EBIT	**16**	15	1

FUNDS OUTLOOK

Softening asset valuations and asset sales in some managed vehicles are expected to impact short-term growth within Funds. In the medium term, we will look to grow the platform through embedded opportunities in recently launched vehicles, as well as new vehicles where we have deep operational expertise and conviction in our ability to create value for our investors and securityholders. We see significant opportunity in the living sectors, where we can leverage our integrated model and our more than 50 years of experience as a residential developer.

With a growing number of investors focused on generating a positive impact for people and the planet alongside financial returns, we will look at integrating investment strategies with social and environmental considerations in our next phase of growth.

1. These statements are future looking and based on our reasonable belief at the time they were made. They include possible outlooks for our operating environments, but are subject to external factors outside of Mirvac's control.

REVIEW OF OPERATIONS AND ACTIVITIES

DEVELOPMENT

Our Development business combines our CMU and Residential development activities, with a total pipeline value of approximately $31bn. Our unique in-house, mixed-use development capability provides future income, development value creation, and funds management opportunities to the Group.

Through our CMU business, we deliver world-class office, industrial, build to rent, and large-scale urban renewal projects designed to support the growth and evolution of our cities. Within our Residential business, we have approximately 30,000 lots under control across apartments and masterplanned communities (MPC), and a reputation for care and quality in everything we do.

	1H24 $m	1H23 $m	Movement $m
Commercial & Mixed-Use EBIT	**19**	67[1]	(48)
Residential EBIT	**94**	58[1]	36
Management and administration expenses	**(27)**	(31)[1]	4
Development EBIT	**86**	94	(8)

COMMERCIAL & MIXED-USE DEVELOPMENT

CMU EBIT in 1H24 was primarily driven by earnings recognised on Switchyard, Auburn, Sydney, which reached practical completion over FY23 and 1H24. Development earnings were also recognised on projects under construction, including 7 Spencer Street, Melbourne, along with development management and construction fees across the build to rent development pipeline. In addition, residual development earnings were recognised on completed projects, including Heritage Lanes at 80 Ann Street, Brisbane and 34 Waterloo Road, Sydney. CMU EBIT was lower in 1H24 due to profit recognition on the sale of Waterloo Road in 1H23. A $13m net development revaluation gain on Aspect North, Sydney on disposal into the Mirvac Industrial Venture further helped to drive returns.

Our CMU development pipeline is diverse and flexible, comprising projects at various stages of the development lifecycle. The reduction in our pipeline value in 1H24 is primarily due to the completion of Switchyard, and reflects our focus on prudent capital allocation, which saw contracts exchanged for 383 LaTrobe Street, Melbourne during the period[3] and a strategic decision to no longer pursue 200 Turbot Street, Brisbane.

Commercial & Mixed-Use development project updates

Office and Mixed-Use

> Harbourside, Sydney: civil works completed and DA approval received for main works, with the residential component expected to be launched in mid-2024

> 55 Pitt Street, Sydney: completed civil works and progressed early structure works. Achieved further pre-leasing success, with the 63,000sqm office building 27 per cent pre-committed[4]

> 7 Spencer Street, Melbourne: progressed construction on the 46,500sqm office building, which is on track for completion in FY26

> Waterloo Metro Quarter, Sydney: commenced construction on the Southern Precinct, which is expected to complete in FY25.

Industrial

> Switchyard, Auburn, Sydney: achieved final practical completion across the 72,000sqm last-mile estate, which is 96 per cent leased[5]

> Aspect Industrial Estate, Kemps Creek, Sydney: progressed construction at what is expected to be our first embodied carbon positive development, with the 212,000sqm estate approximately 57 per cent pre-leased[6], and strong tenant engagement for the remaining space. The asset has been vended into the Mirvac Industrial Venture

> Elizabeth Enterprise Precinct, Badgerys Creek, Sydney: progressed assessment of the initial development application.

Build to Rent

> progressed our ~$1.2bn BTR development pipeline, with LIV Aston, Melbourne (474 apartments) LIV Anura, Brisbane (396 apartments) and LIV Albert Fields, Melbourne (498 apartments) all under construction and due for completion through FY24 and FY25.

	1H24 $m	1H23 $m	Movement $m
Commercial & Mixed-Use EBIT	**19**	67[1]	(48)
Development revaluation gain/loss	**13**	(19)	32
Total Commercial & Mixed-Use Return	**32**	48	(16)
Commercial & Mixed-Use Key Metrics			
Total development pipeline[2]	**11,247**	12,472	(1,255)
Committed development pipeline	**2,806**	2,105	701

1. Restated to reflect Mirvac's new segment reporting structure, which commenced the financial year ended 30 June 2023.
2. Represents 100 per cent of expected end value, including where Mirvac is providing development management services, and subject to various factors outside of Mirvac's control, such as planning outcomes, market conditions, construction cost escalation, supply chain risks, weather and other uncertainties.
3. Settlement expected in 2H24.
4. Includes agreement for lease and non-binding heads of agreement. Excluding heads of agreement, 55 Pitt Street is approximately 9 per cent pre-leased.
5. Includes agreement for lease and non-binding heads of agreement. Excluding heads of agreement, Switchyard is approximately 96 per cent leased.
6. Includes agreement for lease and non-binding heads of agreement. Excluding heads of agreement, Aspect is approximately 47 per cent pre-leased.

REVIEW OF OPERATIONS AND ACTIVITIES

RESIDENTIAL

Residential EBIT was 62 per cent higher than in 1H23, benefitting from apartment project settlements at Nine at Willoughby, Green Square and The Langlee in Sydney, along with increased MPC project settlements at Smiths Lane and Olivine in Melbourne. Higher interest rates, persistent wet weather on the east coast, along with continued cost escalation, supply chain constraints and labour shortages, have placed pressure on delivery programs, and settlement timings.

MPC projects, including Smiths Lane, Woodlea, and Olivine in Melbourne, Everleigh in Brisbane, and Henley Brook in Perth, contributed to 78 per cent of settlements in 1H24. The contribution from MPC was slightly lower than 1H23 (93 per cent), resulting in a lower gross margin of 16.8 per cent in 1H24. This is expected to remain consistent throughout the second half of the year.

Sales activity over the past six months has further moderated, impacted by lower first home buyer activity, constrained borrowing capacity, and continued interest rate uncertainty. Despite this, we continue to receive solid enquiry across our projects, led by upgraders and right-sizers attracted to Mirvac's track record of delivery, quality of product, and upfront amenity.

We progressed our apartment release program, which will underpin future earnings for the Group. This included the launch of Trielle (39 per cent pre-sold), The Albertine (16 per cent pre-sold) and Prince & Parade (13 per cent pre-sold), all in Melbourne, with continuing strong levels of enquiry for these projects. Our release program was also supported by the release of a subsequent stage at Nine at Willoughby in Sydney.

The commencement of settlements at higher-value apartment projects in Sydney along with the subdued sales activity, resulted in a lower pre-sales balance of $1.5bn.

Taking advantage of market conditions, we restocked our development pipeline, entering into a project delivery agreement to develop a new MPC site in Qld (approximately 7,200 lots)[1], as well as adding approximately 1,200 MPC lots at Mulgoa, Sydney, following rezoning and approval of our planning proposal.

	1H24	1H23	Movement
Lots released	**902**	865	37
Lots exchanged	**629**	845	(216)
Lots settled	**1,131**	807	324
Pre-sales secured ($m)	**1,488**	1,707	(219)
Defaults (%)	**0.7**	3.2[2]	(2.5)
Gross development margin (%)	**16.8**	27.6	(10.8)
Pipeline lots	**29,763**	24,466	5,297
Invested capital ($m)	**2,150**	2,023	127

DEVELOPMENT OUTLOOK[3]

Commercial & Mixed-Use

Office & Mixed-Use

While the adoption of hybrid work has resulted in softened capital demand and tenant pre-commitments taking longer to convert, tenants remain attracted to well-located, modern office buildings that offer the latest in sustainability, wellness and technology, and facilitate collaboration. Our secured office and mixed-use development pipeline is well placed to benefit from this trend in the medium term.

Industrial

We continue to see strong customer demand for our industrial developments in a market with very low vacancy. This strong customer interest continues to support the roll out of our Sydney-based industrial development pipeline, secured on attractive terms, including Aspect Industrial Estate at Kemps Creek and Elizabeth Enterprise Precinct at Badgerys Creek.

Build to Rent

Metropolitan rental markets continue to demonstrate strong fundamentals, being well timed to match the delivery of our secured pipeline of build to rent projects through to FY26. This is expected to be supported by record low unemployment rates, low rental vacancy, rising levels of migration, and population growth in cities, while broader apartment supply is expected to moderate.

1. Remains conditional.
2. Excluding Voyager, Melbourne, defaults were 0.1 per cent.
3. These statements are future looking and based on our reasonable belief at the time they were made. They include possible outlooks for our operating environments, but are subject to external factors outside of Mirvac's control.

REVIEW OF OPERATIONS AND ACTIVITIES

DEVELOPMENT OUTLOOK *continued*[1]

Residential

While momentum in the residential market has softened as a result of rising interest rates and inflation, underlying fundamentals remain strong. Favourable demand drivers include low unemployment, above-average wage growth, rising immigration, compelling relative affordability of apartments, and strong household balance sheets. We anticipate demand will remain close to long-term average levels, especially among downsizers, with strong potential for increasing investor demand. An ongoing undersupply of housing persists, with established listings below long-term benchmarks, approvals of new supply continuing to languish, commencements challenged by an elevated cost environment, and rental vacancies at historical lows. We continue to experience solid demand from owner-occupiers focused on high-quality, well-located product with good amenity and certainty of outcome, backed by a credible brand.

We expect a number of launches and releases across our apartment portfolio in 2H24, including:

> the fourth apartment building, O'Connell House, at Ascot Green, Brisbane, comprising 126 apartments[2]

> the residential component at Harbourside, Sydney comprising 265 apartments[2]

> an initial apartment launch at Highforest, Coonara, Sydney, comprising 70 apartments[2]

> a final release at Nine at Willoughby, Sydney, comprising 66 apartments.

This launch profile, complemented by a further release of approximately 800 MPC lots, is expected to further elevate pre-sales in the coming years and contribute to future residential earnings.

RISK AND RISK MANAGEMENT

The Mirvac Board is responsible for ensuring the effectiveness of Mirvac's risk management framework. This framework outlines our governance, risk appetite, accountability for risk management, and operational resilience, and is consistent with the Australian and New Zealand standard on risk management (ISO 31000:2018). The Board has charged Mirvac's leadership team with the responsibility for managing risk across the Group and implementing mitigation strategies under the direction of the Group CEO & Managing Director, supported by other senior executives. Each business unit is responsible for identifying and managing their risks. An enterprise-wide risk management system is in place to drive consistency in risk recording and reporting. The Group Risk function is responsible for embedding the risk management framework, advising business units on risk management plans, and consolidating risk reporting to senior executives, the Audit, Risk & Compliance Committee, and the Board. A strong risk management culture is the key element underpinning the risk management framework. Our Risk Management Policy is available on our website: https://www.mirvac.com/about/corporate-governance.

In 1H24, we continued to experience increased complexity within a challenging and uncertain operating environment. Risks remained present due to the acceleration of climate change adaptation and mitigation, cyber-attacks and the increasing presence of artificial intelligence, and ongoing international conflict in the geopolitical landscape. We will continue to focus on positioning the Group for long-term success by managing the risks that have the potential to impact the achievement of our strategic objectives and our targeted financial and sustainability outcomes.

The risks and opportunities we face in delivering our strategic plan are set out in the table below. They are largely related to our portfolio of assets and are typical of a property group. These are not the only risks associated with Mirvac. The risks are grouped by theme, rather than order of importance.

Key risks and opportunities	How we're addressing them	How risk has changed since FY23
Investment and development performance Our business is impacted by the value of our property portfolio and our ability to deliver modern, high-quality, sustainable assets. This can be influenced by many external aspects outside of our direct control, including the health of the economy and the strength of the property market.	Prudent capital decisions are based on due diligence and market research to ensure investor confidence is retained. Buying and selling at the right time in the property cycle has enabled us to deliver sustainable returns to our securityholders. We have a disciplined approach to acquisitions and are mindful of the fundamentals needed to maintain growth through our sustainable and diversified urban-focused business model. We collaborate with aligned investors to leverage capability and develop recurring income streams.	Increase
Macroenvironment We are impacted by changing domestic and international economic and macroprudential and regulatory measures, which impact access to capital, investor activity, and foreign investment.	Our focus on maintaining a high-quality, modern, urban investment portfolio with excellent sustainability credentials, as well as a diversified, flexible development pipeline, means we are well placed to manage through the cycle. We monitor a wide range of economic, property market and capital market indicators and use trend analysis to assess macroeconomic changes, and we are attentive to these shifts. We maintain a robust balance sheet and appropriate gearing to ensure we can respond to unforeseen economic shocks.	Stable
Capital management Maintaining a diversified capital structure to support delivery of stable investor returns and maintain access to equity and debt funding.	We have a capital management framework that is approved and monitored by the Board. The framework, which incorporates our approach to sustainable finance instruments, aims to address the market, credit and liquidity risks, while also meeting our strategic objectives, including those related to our sustainability performance. We seek to maintain an investment-grade credit rating of A-/A3 to reduce the cost of capital and diversify its sources of debt capital. Our target gearing ratio is between 20 and 30 per cent.	Increase

1. These statements are future looking and based on our reasonable belief at the time they were made. They include possible outlooks for our operating environments, but are subject to external factors outside of Mirvac's control.
2. Launch targeted for mid-2024.

REVIEW OF OPERATIONS AND ACTIVITIES

Key risks and opportunities	How we're addressing them	How risk has changed since FY23
Key partners Our partners play a vital role in our business and our sustained success, and the execution of our development pipeline is driven by engagement with targeted and strategically aligned partners. It is crucial that we build long-term mutually beneficial relationships that benefit from trust, transparency, strategic alignment, and shared values.	Our partner relationships are based on delivering mutual benefits to all parties. Our value creation model has a focus on committed partners and enables the delivery of our strategy through the partner lens. Fit-for-purpose governance frameworks are in place to manage our capital partnerships. In FY23, we restructured the Group into separate Investment, Development and Funds divisions, reflecting the growing scale of the platform and our fiduciary mindset with respect to third-party capital. The establishment of Asset Management as a separate division further strengthens our end-to-end management expertise, removes any conflicts of interest in the structure, and provides independent service and support to both Mirvac and its third-party capital partners.	Stable
Business resilience It is crucial we have the capability and capacity to effectively manage and recover from a major incident in a timely and efficient manner and adapt to changes in our operating markets.	We have an embedded operational resilience program which enables the business to effectively manage and continue business critical processes during a business-impacting event. This includes breaches to our information systems and/or damage to physical assets, which could cause significant damage to our business and reputation.	Stable
Cyber risk Cyber security and information privacy are increasing risks for Mirvac given the dynamic nature of these threats, and the changing compliance and regulatory landscape. Safeguarding our intellectual property, information and operational technology systems, contractual agreements, and employee and customer information is critical to ensure ongoing business continuity and the safety of our people, assets, and customers.	We have a technology and cyber security strategy and framework (aligned with the National Institute of Standards and Technology Cyber Security Framework), which includes a disaster recovery plan and a comprehensive cyber security incident response plan, to prevent and detect cyber threats and respond and recover from cyber-related incidents. This includes data governance and information security frameworks to safeguard the privacy of information in accordance with applicable privacy regulations. Cyber security frameworks are tested frequently and remedial action is monitored by ELT and the Board.	Stable
Digital disruption Technology is changing our world at a rapid pace. It is important we embrace new digitally enabled ways of working and customer experiences to maintain relevance and continue to innovate.	A core element of our strategy is understanding and preparing for disruption and building a resilient business. We are committed to ensuring that we have the right people, processes, and systems to take advantage of disruption and to create a competitive advantage. Our innovation program, Hatch, ensures that we continue to innovate in a meaningful way. We also continue to invest in people, technology and transformation programs to ensure that digital experiences are continually evolving.	Stable
Climate change Climate change not only has the potential to affect our assets, it can affect our business operations. It is vital that we respond to the implications of climate change by implementing appropriate adaptation and mitigation strategies for the portfolio, as well as building resilience throughout the business.	We regularly assess our portfolio for climate risk and resilience. We report under the Task Force on Climate-related Financial Disclosures (TCFD) recommendations and climate risk is incorporated as a consideration in due diligence during the acquisition and development process. We strive to design developments and major renovations to a high standard for green building and community certifications, as well as energy and water performance ratings. Our ESG Strategy, *This Changes Everything,* includes our plan to be net positive in scope 1, 2 and 3 emissions by 2030, and to commit to new methods of external verification to monitor progress on emissions reduction.[1]	Increase
Supply chain With a broad range of suppliers providing an equally diverse range of goods and services, our stakeholders can be directly and indirectly impacted by the practices of our suppliers and the materials they're supplying.	We have well-established processes to oversee key risk areas such as modern slavery, worker exploitation, material import risk, high-risk materials, and cyber security. We are elevating our controls to identify and mitigate our exposure to these risks and ensure full compliance to emerging legislation. During the period, we launched our fourth Modern Slavery Statement, focused on the identification of modern slavery risks and activities in higher risk areas of the supply chain. Supply chain disruption, geopolitical tensions, and the impact of cost-escalation, labour shortages and insolvencies in the construction industry, are actively managed through supply continuity plans and alternative supply arrangements.	Stable
Social responsibility In an Australian context of low institutional trust, we must maintain and enhance trust and reputation to retain a social licence to operate.	We provide consistent, high-quality communication and transparent and responsible reporting. We have a coordinated and consistent stakeholder engagement framework and effective methods to monitor trust and reputation to support a considered approach to stakeholder and community engagement. We have committed to proactively sharing our progress as a business to help us earn and retain trust. We provide sound earnings visibility, guidance and full disclosure to our securityholders so they can make informed choices.	Stable

1. Refer to Mirvac's Sustainability Report and associated reports for further information including assumptions on Scope 3 initiatives.

REVIEW OF OPERATIONS AND ACTIVITIES

Key risks and opportunities	How we're addressing them	How risk has changed since FY23
Planning and regulation Our activities can be affected by government policies in many ways, from local decisions regarding zoning and development approval processes, right through to the national position on immigration.	We maintain proactive and constructive engagements with all levels of government on policy changes that may impact our business and projects, and ensure we are prepared to respond to changing community expectations. Approval timeframes are built into project delivery plans and are actively managed to minimise the impact on returns.	Stable
Health, safety and environment Maintaining the health, safety and wellbeing of our people is our most important duty of care obligation, and is critical to our ongoing success. We must safeguard the integrity of our operations, assets, and the environment, and enable our people to thrive, in order to deliver an enhanced safety performance in a high-growth and complex landscape.	We continue to pursue safety excellence and operations integrity, with an emphasis on the effective management of major hazards and on improving the physical and psychological health and safety of our employees, suppliers, and members of the community. We continue to strengthen our stewardship of major hazards and operations integrity across the lifecycle of our projects, while enhancing our safety leadership culture. We recognise psychological health and safety and psychosocial hazards require a greater level of capability, solutions and leadership going forward, particularly as a result of the long-term economic, societal and health consequences posed by the global pandemic.	Stable
People, culture and capability We require an engaged, motivated, and high-performing workforce with the capability and capacity to deliver our business strategy and maintain our desired culture.	We focus on having the right culture and capabilities, so our people are engaged and enabled to deliver on our strategy, particularly in an uncertain and changing operating environment in which labour markets are currently constrained. We have a range of programs aimed at creating great leaders, growing and retaining key talent, and fostering a diverse and inclusive workplace, and continue to define, measure and curate our desired culture. Our remuneration strategy is designed to attract the best talent, and motivate and retain individuals, while aligning with the interests of executives, securityholders and community expectations.	Stable

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG)

Mirvac's sustainability strategy, *This Changes Everything*, seeks to be a force for good by making choices, developing products, and working with our communities with sustainability in mind.

Key updates from over the past six months:

Environment

> Heritage Lanes, Brisbane became the first building in Australia to achieve a 6 Star Green Star Buildings certified rating, a new world-leading sustainability benchmark. The building has also achieved a 5.5 Star Energy and 4.0 Star Water NABERs rating

> LIV Anura, Brisbane, our first BTR asset in Queensland, was awarded a 5 Star Green Star Design & As Built v1.3 Review certified rating from the Green Building Council of Australia (GBCA)

> 1 Darling Island Road, Pyrmont, Sydney, became our second building to be converted to all-electric base building services

> progressed construction at Aspect Industrial Estate, Kemps Creek, Sydney, with the first warehouse targeting a 5 Star Green Star rating and Climate Active Carbon Neutral certification for embodied carbon emissions

> Highforest, 55 Coonara Avenue, Sydney was formally registered for Green Star Communities with the GBCA. The registration affirms our commitment to sustainable development, with the project targeting a 6 Star Green Star Communities v1.1 rating, the highest available.

Social

> named the winner of the 2023 Social Traders Game Changer Awards (NSW and ACT), together with our social enterprise partner, Plate it Forward

> acknowledged by Good Company as one of the best workplaces to give back for the third year in a row (ranked #2), as well as being recognised as one of Australia's leading community givers in the 2023 Strive Philanthropy GivingLarge report (ranked #24)

> sponsored three scholarships through The Pinnacle Foundation, supporting LGBTQ+ students in property, construction, over the next three years

> launched a new Supplier Development Program in partnership with Social Traders to build capacity in the social enterprise sector. Four enterprises – ReGround, YMCA ReBuild, CommUnity Construction, and Green Connect – will work with Mirvac mentors in FY24

> partnered with DeadlyScience to help build their organisational capacity and extend their impact in creating equity for people who are Aboriginal and Torres Strait Islander. DeadlyScience is a not-for-profit organisation that provides STEM resources and learning experiences to regional and remote schools in Australia

> concluded our second Reconciliation Action Plan (RAP), with our 2024-2026 RAP being prepared.

Governance

> released our fifth Climate Resilience (TCFD) report and lodged our fourth Modern Slavery Statement with the Australian Attorney-General's Department

> maintained high governance credentials, including: UN Principles for Responsible Investment: 5 stars for Policy Governance & Strategy and 4 stars for Direct – Real estate; Sustainalytics: 2024 ESG Top-Rated Companies List[1] and negligible risk rating; and MSCI: AA rating.

1. Received January 2024.

DIRECTORS' REPORT

The Directors of Mirvac Limited present their report, together with the consolidated financial report of Mirvac Group (Mirvac or Group) for the half year ended 31 December 2023. Mirvac comprises Mirvac Limited (parent entity) and its controlled entities, which include Mirvac Property Trust and its controlled entities.

PRINCIPAL ACTIVITIES

The principal continuing activities of Mirvac consist of real estate investment, third party capital management, property asset management and development across three segments: Investment, Funds, and Development.

DIRECTORS

The following persons were Directors of Mirvac Limited during the half year and up to the date of this report, unless otherwise stated:

> Robert Sindel
> Campbell Hanan
> Christine Bartlett
> Damien Frawley
> James Cain[1]
> Jane Hewitt
> Samantha Mostyn AO
> Peter Nash
> James M. Millar AM[2]

1. James Cain was appointed as a Director effective 1 December 2023.
2. James M. Millar AM resigned as a Director effective 31 December 2023.

REVIEW OF OPERATIONS

A review of the operations of the Group during the half year and the results of those operations are detailed in the Review of operations and activities on pages 2 to 10.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Details of the state of affairs of the Group are disclosed on pages 2 to 10. Other than those matters disclosed, there were no significant changes to the state of affairs during the half year that are not otherwise disclosed in this Interim Report.

MATTERS SUBSEQUENT TO THE END OF THE HALF YEAR

No events have occurred since the end of the half year which have significantly affected or may significantly affect Mirvac's operations, the results of those operations, or Mirvac's state of affairs in future years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 12 and forms part of the Directors' report.

ROUNDING OF AMOUNTS

The amounts in the consolidated financial statements have been rounded off to the nearest million (m) dollars in accordance with ASIC Corporations Instrument 2016/191.

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

Campbell Hanan
Director
Sydney
8 February 2024

AUDITOR'S INDEPENDENCE DECLARATION

Auditor's Independence Declaration

As lead auditor for the review of Mirvac Limited for the half-year ended 31 December 2023, I declare that to the best of my knowledge and belief, there have been:

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

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

This declaration is in respect of Mirvac Limited and the entities it controlled during the period.

V. Papageorgiou

Voula Papageorgiou
Partner
PricewaterhouseCoopers

Sydney
8 February 2024

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FINANCIAL REPORT

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the half year ended 31 December 2023

	Note	31 December 2023 $m	31 December 2022 $m
Revenue		1,251	773
Other income			
Revaluation gain on investment properties	C1	—	17
Share of net profit of joint ventures and associates	C3	—	56
Gain on financial instruments		10	9
Total revenue and other income	B1	1,261	855
Development expenses		739	223
Cost of goods sold interest	B3	16	5
Impairment of inventory and other assets		—	1
Selling and marketing expenses		19	19
Revaluation loss on investment properties	C1	260	—
Share of net losses of joint ventures and associates	C3	69	—
Loss on disposal of assets		2	20
Investment property expenses and outgoings	B3	93	103
Depreciation and amortisation expenses		36	36
Employee expenses	B3	48	58
Finance costs	B3	93	67
Loss on financial instruments		29	—
Other expenses	B3	54	96
(Loss)/profit before income tax		(197)	227
Income tax expense		4	12
(Loss)/profit from continuing operations attributable to stapled securityholders	B1	(201)	215
Other comprehensive loss that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges		(3)	(4)
Other comprehensive loss for the half year		(3)	(4)
Total comprehensive (loss)/income for the half year attributable to stapled securityholders		(204)	211

Earnings per stapled security (EPS) attributable to stapled securityholders		Cents	Cents
Basic EPS	B2	(5.1)	5.5
Diluted EPS	B2	(5.1)	5.5

The above consolidated statement of comprehensive income (SoCI) should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2023

	Note	31 December 2023 $m	30 June 2023 $m
Current assets			
Cash and cash equivalents		**227**	122
Receivables	F1	**223**	173
Inventories	C4	**1,717**	1,504
Derivative financial assets	D2	**53**	22
Current tax asset		**66**	—
Other assets		**53**	42
Assets classified as held for sale	C1	**428**	759
Total current assets		**2,767**	2,622
Non-current assets			
Receivables	F1	**52**	53
Inventories	C4	**1,603**	1,735
Investment properties	C2	**9,375**	9,753
Investments in joint ventures and associates	C3	**2,320**	2,302
Derivative financial assets	D2	**136**	180
Other financial assets	D2	**70**	74
Other assets		**68**	7
Property, plant and equipment		**8**	8
Right-of-use assets		**19**	23
Intangible assets		**76**	78
Deferred tax assets		**—**	47
Total non-current assets		**13,727**	14,260
Total assets		**16,494**	16,882
Current liabilities			
Payables		**755**	930
Deferred revenue		**81**	44
Borrowings	D1	**175**	250
Derivative financial liabilities	D2	**9**	9
Lease liabilities		**8**	8
Provisions		**227**	260
Total current liabilities		**1,255**	1,501
Non-current liabilities			
Payables		**340**	379
Deferred revenue		**23**	23
Borrowings	D1	**4,496**	4,226
Lease liabilities		**52**	56
Derivative financial liabilities	D2	**132**	129
Provisions		**9**	11
Deferred tax liabilities		**15**	—
Total non-current liabilities		**5,067**	4,824
Total liabilities		**6,322**	6,325
Net assets		**10,172**	10,557
Equity			
Contributed equity	E2	**7,534**	7,533
Reserves		**37**	23
Retained earnings		**2,601**	3,001
Total equity attributable to the stapled securityholders		**10,172**	10,557

The above consolidated statement of financial position (SoFP) should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the half year ended 31 December 2023

	Note	Attributable to stapled securityholders					
		Contributed equity $m	Reserves $m	Retained earnings $m	Total $m	Non-controlling interests $m	Total equity $m
Balance 30 June 2022		7,527	23	3,576	11,126	66	11,192
Recognition of financial liability	A	—	—	—	—	(66)	(66)
Restated total equity 30 June 2022		7,527	23	3,576	11,126	—	11,126
Profit for the half year		—	—	215	215	—	215
Other comprehensive loss for the half year		—	(4)	—	(4)	—	(4)
Total comprehensive (loss)/income for the half year		—	(4)	215	211	—	211
Transactions with owners of the Group							
Security-based payments							
Expense recognised – Long-term incentives (LTI) and Short-term incentives (STI)		—	8	—	8	—	8
LTI vested	E2	6	(7)	—	(1)	—	(1)
STI vested		—	(1)	—	(1)	—	(1)
Transfer from Security-based payment (SBP) reserve for unvested awards		—	(4)	4	—	—	—
Distributions	E1	—	—	(205)	(205)	—	(205)
Total transactions with owners of the Group		6	(4)	(201)	(199)	—	(199)
Balance 31 December 2022		7,533	15	3,590	11,138	—	11,138
Balance 30 June 2023		**7,533**	**23**	**3,001**	**10,557**	**—**	**10,557**
Loss for the half year		**—**	**—**	**(201)**	**(201)**	**—**	**(201)**
Other comprehensive loss for the half year		**—**	**(3)**	**—**	**(3)**	**—**	**(3)**
Total comprehensive loss for the half year		**—**	**(3)**	**(201)**	**(204)**	**—**	**(204)**
Transactions with owners of the Group							
Security-based payments							
Expense recognised – Employee Exemption Plan (EEP)		**—**	**1**	**—**	**1**	**—**	**1**
Expense recognised – LTI and STI		**—**	**6**	**—**	**6**	**—**	**6**
LTI vested		**—**	**(9)**	**—**	**(9)**	**—**	**(9)**
STI vested		**—**	**(2)**	**—**	**(2)**	**—**	**(2)**
Legacy schemes vested	E2	**1**	**—**	**—**	**1**	**—**	**1**
Distributions	E1	**—**	**—**	**(178)**	**(178)**	**—**	**(178)**
Transfer to cash flow hedge reserve		**—**	**21**	**(21)**	**—**	**—**	**—**
Total transactions with owners of the Group		**1**	**17**	**(199)**	**(181)**	**—**	**(181)**
Balance 31 December 2023		**7,534**	**37**	**2,601**	**10,172**	**—**	**10,172**

The above consolidated statement of changes in equity (SoCE) should be read in conjunction with the accompanying notes.

The 30 June 2022 opening balance has been restated for the recognition of a put option liability presented in current Other financial liabilities and derecognition of non-controlling interest. Refer to note A Basis of preparation.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the half year ended 31 December 2023

	31 December 2023 $m	31 December 2022 $m
Cash flows from operating activities		
Receipts from customers (inclusive of GST)	1,465	834
Payments to suppliers and employees (inclusive of GST)	(1,358)	(981)
Net receipts/(payments) in the course of operations	107	(147)
Interest received	6	5
Distributions received from joint ventures and associates	56	54
Distributions received	—	1
Interest paid	(134)	(99)
Income tax paid	(8)	(13)
Net cash inflows/(outflows) from operating activities	**27**	**(199)**
Cash flows from investing activities		
Payments for investment properties	(269)	(389)
Proceeds from sale of investment properties	384	288
Proceeds from loans to unrelated parties	141	1
Payments of loans to unrelated parties	(90)	(18)
Payments for property, plant and equipment	(1)	(2)
Contributions to joint ventures and associates	(72)	(6)
Proceeds from joint ventures and associates	8	1
Payments for software under development	—	(1)
Proceeds from investments	—	1
Payments for acquisition of subsidiary	—	(138)
Net cash inflows/(outflows) from investing activities	**101**	**(263)**
Cash flows from financing activities		
Proceeds from borrowings	3,050	1,270
Repayments of borrowings	(2,860)	(1,100)
Distributions paid	(209)	(202)
Proceeds from non-controlling interests	—	7
Principal element of lease payments	(4)	(4)
Net cash outflows from financing activities	**(23)**	**(29)**
Net increase/(decrease) in cash and cash equivalents	105	(491)
Cash and cash equivalents at the beginning of the half year	122	558
Cash and cash equivalents at the end of the half year	**227**	**67**

The above consolidated statement of cash flows (SoCF) should be read in conjunction with the accompanying notes.

A BASIS OF PREPARATION

Notes to the consolidated financial statements

MIRVAC GROUP – STAPLED SECURITIES

A Mirvac Group stapled security comprises one Mirvac Limited share 'stapled' to one unit in Mirvac Property Trust (MPT) to create a single listed security traded on the ASX. The stapled securities cannot be traded or dealt with separately.

Mirvac Limited and MPT remain separate legal entities in accordance with the *Corporations Act 2001*. For accounting purposes, Mirvac Limited has been deemed the parent entity of MPT.

STATEMENT OF COMPLIANCE

The interim financial report for the half year ended 31 December 2023 has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

The interim financial report does not include all the information and disclosures normally included in an annual financial report. Accordingly, this report should be read in conjunction with the Annual Report for the year ended 30 June 2023 and any public announcements made by Mirvac Group during the interim reporting period.

BASIS OF PREPARATION

The accounting policies adopted are consistent with those adopted in the financial statements for the year ended 30 June 2023 except for the adoption of new and amended accounting standards. Refer to the below sections on new and amended standards adopted by the Group.

These financial statements have been prepared on a going concern basis, using historical cost conventions except for investment properties, investment properties under construction, assets classified as held for sale, derivative financial instruments and other financial assets and financial liabilities, which have been measured at fair value.

All figures in the financial statements are presented in Australian dollars and have been rounded to the nearest million (m) dollars in accordance with *ASIC Corporations Instrument 2016/191*, unless otherwise indicated.

FOREIGN ENTITY

The Group includes a controlled foreign entity, MGR Insurance International Pte. Ltd., a company incorporated in Singapore. This entity complies with International Financial Reporting Standards.

COMPARATIVE INFORMATION

Where necessary, comparative information has been restated to conform to the current period's disclosures.

Specifically, the Group has made the following restatements:

> Mirvac's segments have been realigned, effective 1 March 2023, following changes to its Executive Leadership Team (ELT) and adjustments to its organisational structure to enhance and maximise operating efficiencies. This restatement is presentational in nature and has no impact on reported net assets or profit for the half year ended 31 December 2022

> the Group has restated the 30 June 2022 comparative amounts to recognise a put option liability presented in current Other financial liabilities of $66m and derecognise non-controlling interest within total equity of $66m.

CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the interim financial statements requires estimation and judgement. The areas involving a higher degree of estimation or judgement were the same as those applied in the financial statements for the year ended 30 June 2023, with the exception of the new and amended standards as set out below.

NEW AND AMENDED STANDARDS ADOPTED BY THE GROUP

Amended standards and interpretations adopted by the Group for the half year ended 31 December 2023 have not had a significant impact on the current period or prior periods and are not likely to have a significant impact on future periods. These are listed below:

> AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates* [AASB 7, AASB 101, AASB 108, AASB 134 & AASB Practice Statement 2]

> AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction* [AASB 112]

> AASB 2023-2 *Amendments to Australian Accounting Standards – International Tax Reform – Pillar Two Model Rules* [AASB 112]

B RESULTS FOR THE HALF YEAR

Notes to the consolidated financial statements

This section explains the results and performance of the Group, including segmental analysis and detailed breakdowns.

B1 SEGMENT INFORMATION

The Group identifies its operating segments based on the internal reporting provided to the ELT, who are the Group's chief operating decision makers.

The Group's operating segments are as follows:

Investment
Passive portfolio, through which income is derived from directly owned assets, co-investment stakes in funds, and investments in joint ventures and associates alongside capital partners. The portfolio spans office, industrial, retail, and build to rent.

Funds
Includes both funds management and asset management operations, earning fees from the provision of investment management, property management, leasing, and capital expenditure delivery services to the balance sheet portfolio and third-party partners.

Development
Spans commercial and mixed-use and residential projects. Profits are derived from development of assets for institutional investors as well as the Group's balance sheet, and through building homes and communities for residential customers.

Geographically, the Group operates in major urban areas across Australia.

During the comparative period, the Group recognised revenue of $95m from one external customer. This represented 12 per cent of total revenue and was attributed to the Development segment. No other single customer in the current or comparative period provided more than 10 per cent of the Group's revenue.

Presented below are the key profit metrics, a breakdown of revenue by function and other required information for each segment:

Key profit metrics

Half year ended 31 December	2023 $m	2022 $m
Investment	**309**	320
Funds	**16**	15
Development	**86**	94
Segment EBIT [1]	**411**	429
Unallocated overheads	**(39)**	(42)
Group EBIT	**372**	387
Net financing costs [2]	**(109)**	(68)
Operating income tax expense	**(11)**	(14)
Operating profit after tax	**252**	305
Development revaluation gain/(loss) [3]	**13**	(19)
Investment property revaluation (loss)/gain	**(396)**	35
Other non-operating items	**(70)**	(106)
Statutory (loss)/profit attributable to stapled securityholders	**(201)**	215

1. EBIT includes share of EBIT of joint ventures and associates.
2. Includes cost of goods sold interest of $16m (December 2022: $5m), interest revenue of $5m (December 2022: $4m), and the Group's share of JVA net financing costs of $5m (December 2022: nil), which is included in Share of net losses of joint ventures and associates.
3. Relates to the fair value movement on IPUC.

B RESULTS FOR THE HALF YEAR

Notes to the consolidated financial statements

B1 SEGMENT INFORMATION *continued*

Revenue by function

	Segments									
	Investment		Funds		Development		Unallocated		Total	
Half year ended 31 December	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Property rental revenue	**353**	388	**7**	7	**—**	4	**—**	—	**360**	399
Development revenue[1]	**—**	—	**—**	—	**846**	332	**—**	—	**846**	332
Asset and funds management revenue[2]	**—**	—	**35**	36	**—**	—	**—**	—	**35**	36
Other revenue	**4**	8	**8**	6	**8**	6	**5**	3	**25**	23
Total operating revenue	**357**	396	**50**	49	**854**	342	**5**	3	**1,266**	790
Share of net profit of joint ventures and associates[3]	**—**	31	**—**	—	**—**	27	**—**	—	**—**	58
Other income	**—**	31	**—**	—	**—**	27	**—**	—	**—**	58
Total operating revenue and other income	**357**	427	**50**	49	**854**	369	**5**	3	**1,266**	848
Non-operating items	**(14)**	17	**—**	—	**—**	(19)	**9**	9	**(5)**	7
Total statutory revenue and other income	**343**	444	**50**	49	**854**	350	**14**	12	**1,261**	855

1. Includes development management fees.
2. Investment property management revenue incurred on the Group's investment properties of $8m (December 2022: $10m) has been eliminated on consolidation.
3. Revenue excludes non-operating items.

Segment assets and liabilities

	Segments									
	Investment		Funds		Development		Unallocated		Total	
	31 December 2023 $m	30 June 2023 $m	31 December 2023 $m	30 June 2023 $m	31 December 2023 $m	30 June 2023 $m	31 December 2023 $m	30 June 2023 $m	31 December 2023 $m	30 June 2023 $m
Assets										
Investment properties	**8,629**	9,015	**—**	—	**746**	738	**—**	—	**9,375**	9,753
Inventories	**—**	—	**—**	—	**3,320**	3,239	**—**	—	**3,320**	3,239
Assets held for sale	**428**	759	**—**	—	**—**	—	**—**	—	**428**	759
Indirect investments[1]	**2,285**	2,063	**37**	38	**233**	366	**21**	35	**2,576**	2,502
Other assets	**69**	45	**29**	40	**172**	56	**525**	488	**795**	629
Total assets	**11,411**	11,882	**66**	78	**4,471**	4,399	**546**	523	**16,494**	16,882
Total liabilities	**133**	177	**30**	34	**1,065**	1,173	**5,094**	4,941	**6,322**	6,325
Net assets	**11,278**	11,705	**36**	44	**3,406**	3,226	**(4,548)**	(4,418)	**10,172**	10,557

1. Includes carrying value of investments in joint ventures and associates, and other indirect investments.

B RESULTS FOR THE HALF YEAR

Notes to the consolidated financial statements

B1 SEGMENT INFORMATION *continued*

Other segment information

Half year ended 31 December	Investment 2023 $m	Investment 2022 $m	Funds 2023 $m	Funds 2022 $m	Development 2023 $m	Development 2022 $m	Unallocated 2023 $m	Unallocated 2022 $m	Total 2023 $m	Total 2022 $m
	Segments									
Share of net (losses)/profit of joint ventures and associates	(88)	29	—	—	19	27	—	—	(69)	56
Depreciation and amortisation expenses	28	30	2	1	—	—	6	5	36	36
Additions of investment properties and PPE	84	77	—	—	83	441	1	2	168	520
Additions of investments in joint ventures and associates	54	—	—	—	18	6	—	—	72	6

Reconciliation of statutory profit to operating profit after tax

The following table shows how profit for the half year attributable to stapled securityholders reconciles to operating profit after tax:

	Segments: Investment $m	Segments: Funds $m	Segments: Development $m	Unallocated $m	31 December 2023 Total $m	31 December 2022 Total $m
(Loss)/profit for the half year attributable to stapled securityholders	(153)	15	67	(130)	(201)	215
Exclude specific non-cash items						
Revaluation of investment properties [1]	273	—	(13)	—	260	(17)
Net loss/(gain) on financial instruments	4	—	—	15	19	(9)
Depreciation of right-of-use assets	—	—	—	4	4	4
Straight-lining of lease revenue [2]	(3)	—	—	—	(3)	(5)
Amortisation of lease incentives and leasing costs [3]	45	—	—	—	45	52
Amortisation of management rights	—	1	—	—	1	—
Share of net losses of joint ventures and associates relating to movement of non-cash items [4]	132	—	3	—	135	3
AASB 16 Leases – net movement	—	—	—	(4)	(4)	(3)
Exclude other non-operating items						
Loss on disposal of assets	2	—	—	—	2	20
Reversal of impairment on inventory and other assets [2]	—	—	(4)	—	(4)	—
Transaction costs	4	—	—	—	4	48
Tax effect						
Tax effect of non-operating adjustments [5]	—	—	—	(6)	(6)	(3)
Operating profit after tax	304	16	53	(121)	252	305
Software-as-a-Service (SaaS) implementation costs	—	3	7	3	13	11
Funds From Operations (FFO)	304	19	60	(118)	265	316

1. Includes development revaluation gain and revaluation loss on assets classified as held for sale and excludes Mirvac's share in the JVA revaluation of investment properties, which is included within Share of net (losses)/profit of joint ventures and associates.
2. Included within Revenue.
3. Includes amortisation of lease incentives and leasing costs incurred during the period on assets classified as held for sale.
4. Included within Share of net (losses)/profit of joint ventures and associates.
5. Included within Income tax expense.

B RESULTS FOR THE HALF YEAR

Notes to the consolidated financial statements

B2 EARNINGS PER STAPLED SECURITY

Basic earnings per stapled security (EPS) is calculated by dividing:
> the profit attributable to stapled securityholders; by
> the weighted average number of ordinary securities (WANOS) outstanding during the half year.

Diluted EPS adjusts the WANOS to take into account dilutive potential ordinary securities from security-based payments.

	31 December 2023	31 December 2022
(Loss)/profit attributable to stapled securityholders used to calculate basic and diluted EPS ($m)	**(201)**	215
WANOS used in calculating basic EPS (m)	**3,945**	3,944
WANOS used in calculating diluted EPS (m)	**3,946**	3,945
Basic and diluted EPS (cpss)	**(5.1)**	5.5

B3 EXPENSES

Profit before income tax includes the following specific expenses:	31 December 2023 $m	31 December 2022 $m
Total investment property expenses and outgoings		
Statutory levies	**22**	24
Insurance	**4**	3
Power and gas	**14**	13
Property maintenance	**22**	27
Other	**31**	36
Total investment property expenses and outgoings	**93**	103
Total employee expenses		
Employee benefits expenses	**41**	52
Security-based payments expense	**7**	6
Total employee expenses	**48**	58
Interest and borrowing costs		
Interest paid/payable	**132**	94
Interest on lease liabilities	**—**	1
Interest capitalised	**(41)**	(30)
Borrowing costs amortised	**2**	2
Total finance costs	**93**	67
Add: cost of goods sold interest [1]	**16**	5
Total interest and borrowing costs	**109**	72
Total other expenses		
Compliance, consulting and professional fees	**9**	9
Office and administration expenses	**8**	9
IT infrastructure [2]	**24**	21
Insurance and other expenses	**9**	9
Transaction costs	**4**	48
Total other expenses	**54**	96

1. This interest was previously capitalised and has been expensed in the current period.
2. Includes employee benefits expenses $4m (December 2022: $3m) relating to the implementation of SaaS arrangements.

B RESULTS FOR THE HALF YEAR

Notes to the consolidated financial statements

B4 EVENTS OCCURRING AFTER THE END OF THE HALF YEAR

No events have occurred since the end of the half year which have significantly affected or may significantly affect Mirvac's operations, the results of those operations, or Mirvac's state of affairs in future years.

B5 INCOME TAX

This section includes the Group's tax accounting policies and details of the income tax expense and deferred tax balances.

Accounting for income tax

Most of the Group's profit is earned by Mirvac Property Trust and its sub-trusts, which are not subject to taxation, provided that the stapled securityholders of the Group are attributed the taxable income of the Mirvac Property Trust. Stapled securityholders are liable to pay tax at their effective tax rate on the amounts attributed.

Income tax expense for Mirvac Limited and its wholly-owned controlled entities is calculated at the applicable tax rate (currently 30 per cent in Australia). This is recognised in the profit for the half year, unless it relates to other comprehensive income or transactions recognised directly in equity.

The tax expense comprises both current and deferred tax. Broadly, current tax represents the tax expense paid or payable for the current year.

Accounting income is not always the same as taxable income, creating temporary differences. These differences usually reverse over time. Until they reverse, a deferred asset or liability is recognised on the consolidated SoFP. Deferred tax is not recognised on the initial recognition of goodwill. Deferred tax assets, including those arising from tax losses, are only recognised to the extent it is probable that sufficient taxable profits will be available to utilise the losses in the foreseeable future.

The Group estimates future taxable profits based on approved budgets and forecasts extending five years. Future taxable profits are influenced by a variety of general economic and business conditions, which are outside the control of the Group. A change in any of these assumptions could have an impact on the future profitability of the Group and may affect the recovery of deferred tax assets.

As at 31 December 2023, the Group had $60m (June 2023: $60m) of unrecognised capital losses.

Tax consolidation legislation

Mirvac Limited and its wholly-owned controlled entities are in a tax consolidated group. The entities in the tax consolidated group have entered into a tax sharing agreement which, in the opinion of the Directors, limits the joint and several liabilities of the wholly-owned entities in the case of a default by the head entity, Mirvac Limited. Accordingly, the deferred tax assets and deferred tax liabilities are permitted to be offset in the consolidated SoFP.

The entities in the tax consolidated group have also entered into a tax funding agreement to fully compensate/be compensated by Mirvac Limited for current tax balances and the deferred tax assets for unused tax losses and credits transferred.

C PROPERTY AND DEVELOPMENT ASSETS

Notes to the consolidated financial statements

This section includes investment properties, investments in joint ventures and associates (JVA), and inventories. They represent the core assets of the business and drive the value of the Group.

C1 PROPERTY PORTFOLIO

Mirvac holds a property portfolio for long-term rental yields and capital appreciation. Depending on the specific arrangements for each property, they are classified as investment properties or properties held through joint ventures and associates.

A detailed listing of Mirvac's property portfolio assets can be located in the Property Compendium (unaudited), which is available on Mirvac's website: https://www.mirvac.com/investor-centre/results-and-announcements/asx-announcements

JUDGEMENTS IN FAIR VALUE ESTIMATION

Fair value is the price that would be received on selling an asset in an orderly transaction between market participants.

For all investment property that is measured at fair value, the existing use of the property is considered the highest and best use.

The Group assesses its property portfolio for environmental risks and incorporates sustainability initiatives where appropriate in determining the fair value of investment properties.

The fair values of properties are calculated using a combination of market sales comparisons, discounted cash flows and capitalisation rates.

To assist with calculating reliable estimates, Mirvac uses independent valuers on a rotational basis. Approximately 25 per cent of the portfolio is independently valued every six months, with management internally estimating the fair value of the remaining properties using estimation techniques by suitably qualified personnel. As at 31 December 2023, the Group undertook independent valuations covering 34 per cent of its investment property portfolio, by value excluding investment properties under construction (IPUC).

The fair values are a best estimate but may differ to the actual sales price if the properties were to be sold. The key judgements for each valuation method are explained below:

Discounted cash flow (DCF): Projects a series of cash flows over the property's life and a terminal value, discounted using a discount rate to give the present value.

The projected cash flows incorporate expected rental income (based on contracts or market rates), operating costs, lease incentives, lease fees, capital expenditure, and a terminal value from selling the property. The terminal value is calculated by applying the terminal yield to the net market income. The discount rate is a market rate reflecting the risk associated with the cash flows, the nature, location, and tenancy profile of the property relative to comparable investment properties and other asset classes.

Capitalisation rate: The rate or yield at which the annual net income from an investment is capitalised to ascertain its capital value at a given date. The annual net income is based on contracted rents, market rents, operating costs and future income on vacant space. The capitalisation rate reflects the nature, location and tenancy profile of the property together with current market evidence and sales of comparable properties.

Direct comparison approach: Utilises recent sales of comparable properties adjusted for any differences, including the nature, location, town planning/zoning, flooding and environmental impediments.

Investment properties under construction: There generally is not an active market for investment properties under construction (IPUC). Due to the inherent difficulty in valuing IPUC, fair value will typically be capitalised costs to date. Where a valuation is performed, fair value is measured using the capitalisation rate, DCF or residual valuations. Capitalisation rate and DCF valuations for IPUC are as described above, but also consider the costs and risks of completing construction and letting the property.

Residual: Estimates the value of the completed project, less the remaining development costs, which include construction, finance costs and an allowance for the developer's risk and profit. This valuation is then discounted back to the present value.

Note C2 explains the key inputs in the measurement of fair value of investment properties.

C PROPERTY AND DEVELOPMENT ASSETS

Notes to the consolidated financial statements

C1 PROPERTY PORTFOLIO *continued*

Property portfolio as at 31 December 2023

The composition of the Group's investment property portfolio includes:

	Note	Office $m	Industrial $m	Retail $m	Build to Rent $m	31 December 2023 Total $m	30 June 2023 Total $m
Investment properties		5,044	1,279	2,306	—	8,629	9,015
Investment properties under construction		322	222	202	—	746	738
Total investment properties	C2	5,366	1,501	2,508	—	9,375	9,753
Investments in JVA[1]		1,707	260	—	508	2,475	2,400
Assets classified as held for sale		428	—	—	—	428	759
Total property portfolio		7,501	1,761	2,508	508	12,278	12,912

1. Represents Mirvac's share of the JVA's investment properties, which is included within the carrying value of investments in JVA.

Revaluation of investment properties

	31 December 2023 $m	31 December 2022 $m
Office[1]	(255)	(1)
Industrial	(35)	41
Retail	30	(12)
Build to Rent	—	(11)
Net revaluation (loss)/gain from fair value adjustments	(260)	17

1. Includes revaluation loss of $29m (December 2022: nil) for assets classified as held for sale.

C2 INVESTMENT PROPERTIES

Investment properties, including investment properties under construction, are held at fair value. Revaluation gains are recognised as Other income and revaluation losses are recognised as an expense. The fair value movements are non-cash and do not affect the Group's distributable income.

Movements in investment properties	Office $m	Industrial $m	Retail $m	31 December 2023 Total $m	30 June 2023 Total $m
Balance 1 July	5,579	1,568	2,606	9,753	12,189
Expenditure capitalised	91	53	23	167	661
Acquisitions	—	—	—	—	141
Disposals	—	—	—	—	(940)
Net revaluation (loss)/gain from fair value adjustments[1]	(226)	(35)	30	(231)	(480)
Transfer from/(to) inventories	42	—	(143)	(101)	(487)
Transfer to assets classified as held for sale	(88)	—	—	(88)	(759)
Transfer to joint ventures and associates	—	(82)	—	(82)	(469)
Amortisation expense	(32)	(3)	(8)	(43)	(103)
Closing balance	5,366	1,501	2,508	9,375	9,753

1. Does not include revaluation loss of $29m (June 2023: nil) for assets classified as held for sale.

C PROPERTY AND DEVELOPMENT ASSETS

Notes to the consolidated financial statements

C2 INVESTMENT PROPERTIES *continued*

Fair value measurement and valuation basis

Investment properties are measured as Level 3 financial instruments. Refer to note D2 for explanation of the levels of fair value measurement.

The discounted cash flow, capitalisation rate and residual valuation methods all use unobservable inputs in determining fair value; ranges of the inputs are included below per asset class:

		Inputs used to measure fair value				
	Level 3 fair value $m	Net market income $/sqm	10-year compound annual growth rate %	Capitalisation rate %	Terminal yield %	Discount rate %
31 December 2023						
Office	**5,366**	**350 – 1,367**	**3.40 – 3.95**	**5.00 – 7.50**	**5.25 – 7.63**	**6.25 – 8.25**
Industrial	**1,501**	**165 – 471**	**3.35 – 3.52**	**4.88 – 5.88**	**5.13 – 6.13**	**6.25 – 7.00**
Retail	**2,508**	**344 – 708**	**2.78 – 4.28**	**5.00 – 8.75**	**5.25 – 9.00**	**6.25 – 10.00**
Total investment properties	**9,375**	**—**	**—**	**—**	**—**	**—**
30 June 2023						
Office	5,579	350 – 1,367	3.20 – 4.10	4.88 – 7.50	5.13 – 7.50	6.13 – 8.25
Industrial	1,568	150 – 449	3.47 – 3.62	4.25 – 5.25	4.50 – 5.50	5.75 – 6.63
Retail	2,606	327 – 880	2.21 – 4.02	5.00 – 8.75	5.25 – 9.00	6.25 – 10.00
Total investment properties	9,753	—	—	—	—	—

Sensitivity analysis

Due to the uncertain economic climate and the judgement required to assess the fair value of the Group's investment properties, a sensitivity analysis was undertaken to further stress test the Group's assessment of fair value as at 31 December 2023.

The following sensitivity analysis is based on upward and downward movement scenarios of 25 bps and 50 bps on the movement of capitalisation rates, discount rates and terminal yields per asset class compared to the capitalisation rates, discount rates and terminal yields adopted by the Group as at 31 December 2023. These are considered to be the key unobservable inputs that would be expected to have the most material impact on the fair values adopted if they moved. Valuations use a blended capitalisation rate and DCF approach whereby the current market income and the cash flow of the investment property are considered to determine the final fair value. Varying the capitalisation rates alone will only impact the valuations derived through capitalisation method and has no impact on the DCF analysis. A change in discount rate and terminal capitalisation rate will only impact the DCF valuation. Accordingly, all three metrics need to be moved proportionately to ensure a consistent methodology when performing the sensitivity analysis.

Presented below is the outcome of the sensitivity analysis as the decrement or increment to the fair value of each asset class of the Group's investment property portfolio (including assets classified as held for sale and office JV but excluding all other JVAs and IPUC) should the unobservable inputs increase or decrease by 25 bps or 50 bps. For example, an increase of 25 bps of the capitalisation rate, discount rate and terminal yield in the Group's office portfolio would have resulted in a decrement of $305m in addition to the fair value presented as at 31 December 2023.

	Capitalisation rate, discount rate and terminal yield movement by			
Investment properties at fair value assessed using DCF, market capitalisation and capitalisation rate	↑ 25 bps $m	↑ 50 bps $m	↓ 25 bps $m	↓ 50 bps $m
Office	(305)	(601)	334	743
Industrial	(74)	(141)	80	170
Retail	(102)	(196)	112	235
Total	**(481)**	**(938)**	**526**	**1,148**

For investment properties at fair value assessed using the direct comparison approach, a sensitivity analysis was performed. Using an increase of 5 per cent in the rate per square metre and a decrease of 5 per cent in the rate per square metre, the impact to the fair value presented as at 31 December 2023 was not material.

Ground leases

As at 31 December 2023, $37m of lease liabilities for ground leases has been recognised in the consolidated SoFP (June 2023: $37m).

C PROPERTY AND DEVELOPMENT ASSETS

Notes to the consolidated financial statements

C3 INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

A joint venture is a joint arrangement where Mirvac has joint control over the activities and joint rights to the net assets. An associate is an entity over which Mirvac has significant influence, and that is neither a subsidiary nor an interest in a joint venture. Refer to note F3 for the Group's joint venture and associate entities and ownership percentages.

All JVAs are established or incorporated in Australia. The movements in the carrying amount of JVAs are as follows:

Movements in the carrying amount of JVA	31 December 2023 Total $m	30 June 2023 Total $m
Balance 1 July	**2,302**	1,481
Share of (losses)/profit	**(69)**	38
Equity acquired	**72**	744
Other movements	**(1)**	7
Transfers from investment properties	**82**	469
Transfers from inventories	**—**	2
Business combinations[1]	**—**	(310)
Return of capital	**(8)**	(1)
Distributions received/receivable	**(58)**	(128)
Closing balance	**2,320**	2,302

1. Represents the net liabilities (excluding inventories and investment properties which are disclosed separately) of entities that were formerly wholly owned subsidiaries and transferred to JVAs during the year.

The table below lists JVAs that are significant to the Group:

JVA	Principal activities	31 December 2023 Interest %	31 December 2023 Carrying value $m	30 June 2023 Interest %	30 June 2023 Carrying value $m
The George Street Trust	Property investment	**50**	**480**	50	544
Mirvac Wholesale Office Fund	Property investment	**8**	**425**	8	459
LIV Mirvac Property Trust	Property investment	**44**	**323**	44	272
Mirvac (Old Treasury) Trust	Property investment	**50**	**245**	50	249
Mirvac Locomotive Trust	Property investment	**51**	**209**	51	222
Mirvac 8 Chifley Trust	Property investment	**50**	**198**	50	205
MIV Switchyards Trust	Property investment	**51**	**174**	51	185
Other JVAs	Various	**—**	**266**	—	166
Closing balance			**2,320**		2,302

Capital expenditure commitments

As at 31 December 2023, the Group's share of its JVA's capital commitments which have been approved but not yet provided for was $250m (June 2023: $147m).

C PROPERTY AND DEVELOPMENT ASSETS

Notes to the consolidated financial statements

C4 INVENTORIES

The Group develops residential, commercial and mixed use properties for sale in the ordinary course of business. Inventories are classified as current if they are expected to be settled within 12 months. Otherwise, they are classified as non-current.

Judgement in calculating net realisable value (NRV) of inventories

NRV is the estimated selling price in the ordinary course of business less the estimated costs to complete and sell the development. NRV is estimated using the most reliable evidence available at the time, including expected fluctuations in selling price and estimated costs to complete and sell.

The key assumptions used in the project forecasts for the Group's NRV assessments include:

Key assumption	Details of key assumption
Sales rates/ volumes	The rate at which lots are sold over a given period.
Sales price	The price for which a given lot or asset is sold.
Sales incentives	Recognised as a percentage of purchase price, which is allocated to either direct or indirect expenditure to induce the sale of a lot.

Key assumption	Details of key assumption
Settlement volumes	The number of lot settlements achievable over a given period.
Cost to complete	All remaining costs to complete the program of works and sell unsold stock, measured at reporting date.
Program duration	The duration of a project from commencement to completion of all stages. A project program generally extends from the approval to purchase through to the final settlement of lots and may extend over many years.

	Residential			Commercial & Mixed Use	31 December 2023	30 June 2023
Inventory represented by:	MPC $m	Apartments $m	Total $m	Total $m	Total $m	Total $m
Current inventory	367	901	1,268	465	1,733	1,537
Provision for impairment	(16)	—	(16)	—	(16)	(33)
Total current inventory	351	901	1,252	465	1,717	1,504
Non-current inventory	835	504	1,339	322	1,661	1,793
Provision for impairment	(4)	(47)	(51)	(7)	(58)	(58)
Total non-current inventory	831	457	1,288	315	1,603	1,735
Total inventories	1,182	1,358	2,540	780	3,320	3,239

	Residential			Commercial & Mixed Use	31 December 2023	30 June 2023
Movements in inventories	MPC $m	Apartments $m	Total $m	Total $m	Total $m	Total $m
Balance 1 July	1,193	1,396	2,589	650	3,239	2,261
Costs incurred	191	305	496	148	644	1,303
Settlements	(202)	(343)	(545)	(82)	(627)	(778)
Provision for impairment of inventories	—	—	—	—	—	(25)
Inventory costs written off	—	—	—	—	—	(6)
Transfer from investment properties	—	—	—	101	101	487
Transfer to JVAs	—	—	—	—	—	(2)
Transfer to other assets	—	—	—	—	—	(1)
Transfer to receivables	—	—	—	(37)	(37)	—
Closing balance	1,182	1,358	2,540	780	3,320	3,239

D CAPITAL STRUCTURE AND RISKS

Notes to the consolidated financial statements

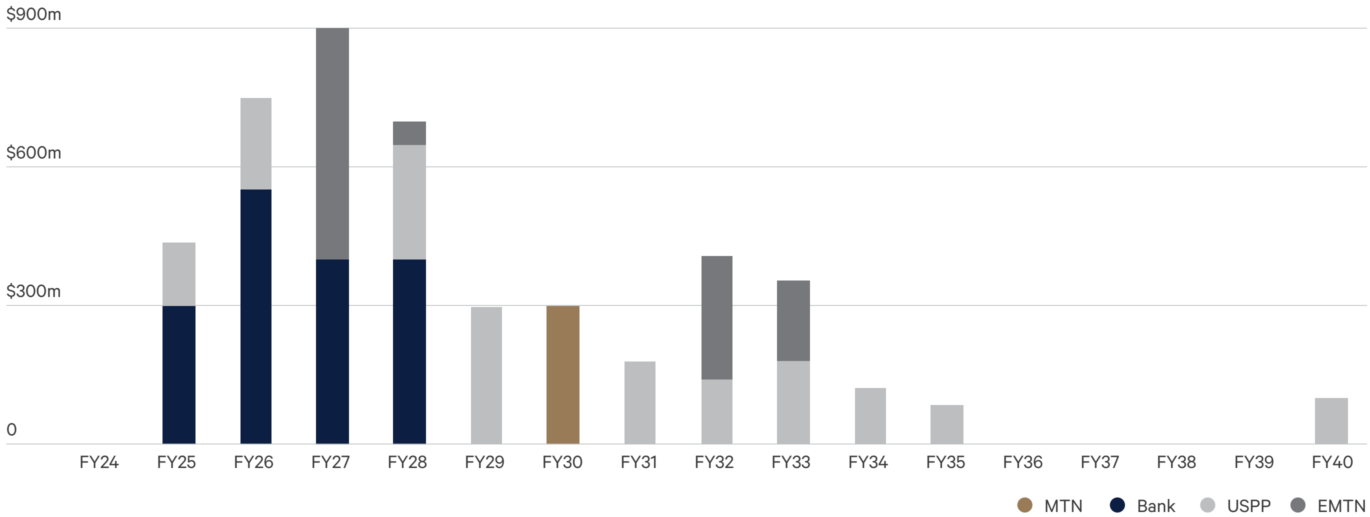
Capital comprises stapled securityholders' equity and net debt.

D1 BORROWINGS AND LIQUIDITY

The Group enters into borrowings at both fixed and floating interest rates and also uses interest rate derivatives to reduce interest rate risks.

At 31 December 2023, the Group had $1,072m (June 2023: $1,352m) of cash and committed undrawn facilities available.

Drawn debt maturities as at 31 December 2023



Borrowings

Borrowings are initially recognised at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest rate method. Under the amortised cost method, any difference between the initial amount recognised and the redemption amount is recognised in the consolidated SoCI over the period of the borrowings using the effective interest rate method.

	31 December 2023				30 June 2023			
	Current $m	Non-current $m	Total carrying amount $m	Total fair value $m	Current $m	Non-current $m	Total carrying amount $m	Total fair value $m
Unsecured facilities								
Bank loans	—	1,653	1,653	1,653	—	1,213	1,213	1,213
Bonds	175	2,853	3,028	3,050	250	3,024	3,274	3,274
Total unsecured borrowings	175	4,506	4,681	4,703	250	4,237	4,487	4,487
Prepaid borrowing costs	—	(10)	(10)	(10)	—	(11)	(11)	(11)
Total borrowings	175	4,496	4,671	4,693	250	4,226	4,476	4,476
Undrawn facilities			845				1,230	
Other								
Lease liabilities	8	52	60	60	8	56	64	64

The fair value of bank loans is considered to approximate their carrying amount. The fair value of bonds is calculated as the expected future cash flows discounted by the relevant current market rates.

D CAPITAL STRUCTURE AND RISKS

Notes to the consolidated financial statements

D2 FAIR VALUE MEASUREMENT OF FINANCIAL INSTRUMENTS

Mirvac measures various financial assets and liabilities at fair value, which in some cases, may be subjective and depend on the inputs used in the calculations. The different levels of measurement are described below:

> **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities

> **Level 2:** not traded in an active market but calculated with significant inputs coming from observable market data

> **Level 3:** significant inputs to the calculation that are not based on observable market data (unobservable inputs).

Mirvac holds no Level 1 financial instruments.

The methods and assumptions used to estimate the fair value of Mirvac's financial instruments are as follows:

Derivative financial instruments

Mirvac's derivative financial instruments are classified as Level 2 as the fair values are calculated based on observable market interest rates and foreign exchange rates. The fair values of interest rate derivatives are calculated as the present value of the estimated future cash flows based on observable yield curves.

Other financial assets

Other financial assets include units in unlisted entities and convertible notes issued by unrelated parties. The carrying value of other financial assets is equal to the fair value. Other financial assets are classified as Level 3 as the fair values are not based on observable market data.

Investments in unlisted entities are traded in inactive markets and the fair value is determined by the unit or share price as advised by the trustee of the unlisted entity, based on the value of the underlying assets. The unlisted entity's assets are subject to regular external valuations. The valuation methods used by the external valuers have not changed since 30 June 2023.

There were no transfers between the fair value hierarchy levels during the half year. The following table presents a reconciliation of the carrying value of Level 3 instruments held by the Group (excluding investment properties):

Investments in unlisted equities	**31 December 2023 $m**	**30 June 2023 $m**
Balance 1 July	**74**	73
Acquisitions	**—**	4
Net loss recognised in loss on financial instruments	**(4)**	(2)
Return of capital	**—**	(1)
Closing balance	**70**	74

Refer to note C2 for a reconciliation of the carrying value of investment properties, also classified as Level 3.

E EQUITY

Notes to the consolidated financial statements

This section includes details of distributions, stapled securityholders' equity and reserves. It represents how the Group raises equity from its stapled securityholders in order to finance the Group's activities both now and in the future.

E1 DISTRIBUTIONS

Half yearly ordinary distributions	CPSS	Amount payable/paid $m	Date payable/paid
31 December 2023	**4.5**	**178**	**29 February 2024**
31 December 2022	5.2	205	28 February 2023

All distributions in the current and prior periods were unfranked. Franking credits available for future years, based on a tax rate of 30 per cent, total $91m (June 2023: $83m).

E2 CONTRIBUTED EQUITY

Mirvac's contributed equity includes ordinary shares in Mirvac Limited and ordinary units in MPT, which are stapled to create stapled securities.

Each ordinary security entitles the holder to receive distributions when declared, to one vote at securityholders' meetings and in polls, and to a proportional share of proceeds on the winding up of Mirvac.

New issues of stapled securities rank equal with the existing stapled securities on issue. When new securities or options are issued, the directly attributable incremental costs are deducted from equity, net of tax.

Contributed equity

	31 December 2023		30 June 2023	
	No. securities m	Securities $m	No. securities m	Securities $m
Mirvac Limited – ordinary shares issued	**3,945**	**2,166**	3,945	2,165
MPT – ordinary units issued	**3,945**	**5,368**	3,945	5,368
Total contributed equity		**7,534**		7,533

The total number of stapled securities issued as listed on the ASX as at 31 December 2023 was 3,946m (June 2023: 3,946m), which included 1m of stapled securities issued under the LTI plan and EIS (June 2023: 1m). Securities issued to employees under the Mirvac employee LTI plan and EIS are accounted for as options and are recognised in the security-based payments reserve, not in contributed equity.

Movements in paid up equity

	31 December 2023		30 June 2023	
	No. securities	Securities $m	No. securities	Securities $m
Balance 1 July	**3,944,597,806**	**7,533**	3,941,722,042	7,527
LTI vested [1]	**—**	**—**	2,790,895	6
Legacy schemes vested	**131,861**	**1**	84,869	—
Closing balance	**3,944,729,667**	**7,534**	3,944,597,806	7,533

1. Stapled securities issued for LTIs during the prior year relate to LTIs granted in prior years.

F OTHER DISCLOSURES

Notes to the consolidated financial statements

This section provides additional required disclosures that are not covered in the previous sections.

F1 RECEIVABLES

	31 December 2023			30 June 2023		
	Gross $m	Loss allowance $m	Net $m	Gross $m	Loss allowance $m	Net $m
Current receivables						
Trade receivables	95	(4)	91	42	(10)	32
Loans to unrelated parties	2	—	2	74	—	74
Contract assets	34	(2)	32	—	—	—
Other receivables	98	—	98	67	—	67
Total current receivables	229	(6)	223	183	(10)	173
Non-current receivables						
Loans to unrelated parties	45	—	45	39	—	39
Other receivables	7	—	7	14	—	14
Total non-current receivables	52	—	52	53	—	53
Total receivables	281	(6)	275	236	(10)	226

Movements in loss allowance	31 December 2023 $m	30 June 2023 $m
Balance 1 July	(10)	(19)
Loss allowance recognised	(4)	—
Loss allowance released	5	—
Amounts utilised for write-off of receivables	3	9
Closing balance	(6)	(10)

Ageing

	Not past due $m	Days past due 1 – 30 $m	31 – 60 $m	61 – 90 $m	91 – 120 $m	Over 120 $m	Total $m
Trade receivables	49	35	4	2	1	4	95
Loans to unrelated parties	47	—	—	—	—	—	47
Contract assets	34	—	—	—	—	—	34
Other receivables	81	23	—	—	—	1	105
Loss allowance	(2)	—	—	—	(1)	(3)	(6)
Balance 31 December 2023	209	58	4	2	—	2	275
Trade receivables	27	4	3	1	1	6	42
Loans to unrelated parties	113	—	—	—	—	—	113
Other receivables	70	—	5	—	—	6	81
Loss allowance	—	(1)	(1)	(1)	(1)	(6)	(10)
Balance 30 June 2023	210	3	7	—	—	6	226

The Group does not have any significant credit risk exposure to a single customer. The Group holds collateral of $127m (June 2023: $153m). The quantum, terms and conditions of collateral are outlined in the lease agreements. However, generally as lessor, the Group has the right to call upon the collateral if a lessee breaches their lease. For further details regarding the Group's exposure to and management of credit risk, refer to the 30 June 2023 Annual Report.

F OTHER DISCLOSURES

Notes to the consolidated financial statements

F2 BUSINESS COMBINATIONS

Refer to the 30 June 2023 Annual Report for details of business combinations made in the prior period.

MIV Aspect North Trust

On 21 December 2023, the Group disposed of 49 per cent of units in MIV Aspect North Trust, which holds a 100 per cent interest in three warehouses located at 788-882 Mamre Road, Kemps Creek NSW. Previously, MIV Aspect North Trust was a controlled and consolidated entity owned by the Group. Following the sale, the Group lost control of MIV Aspect North Trust and reclassified its remaining 51 per cent interest to an Investment in a joint venture.

The consideration from the sale of 49 per cent of the units in MIV Aspect North Trust was $87m, of which $78m was received at settlement, with $9m to be paid after Development Application approval is received for one warehouse. Of the $78m consideration received at settlement, $59m was recognised as revenue in the current period and reflected as a sale of inventory in the ordinary course of business. The remaining $19m consideration received at settlement is recognised as deferred revenue in the SoFP, subject to the satisfaction of the remaining performance obligation. Cash and cash equivalents in MIV Aspect North Trust at the time of the sale was nil.

F3 INTERESTS AND JOINT VENTURES AND ASSOCIATES

This table shows details of Mirvac's interests in joint ventures and associates.

	Ownership %	
	31 December 2023	**30 June 2023**
Barangaroo EDH Pty Ltd	**33**	33
BuildAI Pty Ltd	**37**	37
Domaine Investments Management Pty Ltd	**50**	50
Googong Township Pty Ltd	**50**	50
Googong Township Unit Trust	**50**	50
Harold Park Real Estate Trust	**50**	50
HPRE Pty Ltd	**50**	50
Leakes Road Rockbank Pty Ltd	**50**	50
Leakes Road Rockbank Unit Trust	**50**	50
LIV Mirvac Property Trust	**44**	44
LIV Mirvac Services Trust	**44**	44
Mirvac (Old Treasury) Pty Limited	**50**	50
Mirvac (Old Treasury) Trust	**50**	50
Mirvac 8 Chifley Pty Ltd	**50**	50
Mirvac 8 Chifley Trust	**50**	50
Mirvac Locomotive Trust	**51**	51
Mirvac Wholesale Office Fund	**8**	8
MIV Aspect North Trust[1]	**51**	—
MIV Switchyards Trust	**51**	51
MVIC Finance 2 Pty Ltd	**50**	50
The George Street Trust	**50**	50
Tucker Box Hotel Group	**50**	50
WL Developer Pty Ltd	**50**	50
WL Developer Trust	**50**	50

1. This entity became a JVA on 21 December 2023.

F OTHER DISCLOSURES

Notes to the consolidated financial statements

F4 COMMITMENTS

Capital expenditure commitments

As at 31 December 2023, capital commitments on Mirvac's investment property portfolio were $193m (June 2023: $184m). There were no investment properties pledged as security by the Group (June 2023: nil).

Lease commitments

Lease revenue from investment properties is accounted for as operating leases. The revenue from leases is recognised in the consolidated SoCI on a straight-line basis over the lease term.

Future receipts are shown as undiscounted contractual cash flows.

Future operating lease receipts as a lessor due:	31 December 2023 $m	30 June 2023 $m
Within one year	**388**	466
Between one and five years	**1,431**	1,461
Later than five years	**1,142**	1,119
Total future operating lease receipts as a lessor	**2,961**	3,046

Other commitments

Serenitas

On 17 October 2023, the Group entered into binding agreements to acquire Serenitas, an Australian land lease operator, in partnership with Pacific Equity Partners Secure Assets and Tasman Capital Partners, for a total consideration of $1,010m. Mirvac will make an approximately $300m initial investment with approximately $240m funded on settlement and $60m deferred for twelve months. Settlement is targeted for prior to 30 June 2024.

Mulgoa

During the period, the Group exercised call options and paid deposits to acquire multiple lots in Mulgoa, NSW. Settlement on these lots is contracted to occur over time, prior to 30 June 2026. When settlement occurs, the Group will be required to pay the outstanding purchase price (net the deposits already paid) on the lots, which is a total of $182m across the various lots.

DIRECTORS' DECLARATION

In the Directors' opinion:

a) the financial statements and the notes set out on pages 13 to 34 are in accordance with the *Corporations Act 2001*, including:
   i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
   ii) giving a true and fair view of the consolidated entity's financial position at 31 December 2023 and of its performance for the financial half year ended on that date; and

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

The Directors have been given the declarations by the CEO & Managing Director and Chief Financial Officer required by section 295A of the *Corporations Act 2001*.

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

Campbell Hanan
Director
Sydney
8 February 2024

INDEPENDENT AUDITOR'S REPORT

pwc

Independent auditor's review report to the stapled securityholders of Mirvac Limited

Report on the half-year financial report

Conclusion

We have reviewed the half-year financial report of Mirvac Limited (the Company) and the entities it controlled during the half-year (together the Group), which comprises the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration.

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

1. giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date

2. complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for conclusion

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

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

Responsibilities of the directors for the half-year financial report

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

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INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the review of the half-year financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and of its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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

PricewaterhouseCoopers

PricewaterhouseCoopers

V. Papageorgiou

Voula Papageorgiou
Partner

Joe Sheeran

Joe Sheeran
Partner

Sydney
8 February 2024

GLOSSARY

ASX	Australian Securities Exchange
CPSS	Cents per stapled security
EBIT	Earnings before interest and tax
EIS	Employee Incentive Scheme
EEP	Employee Exemption Plan
EPS	Earnings per stapled security
FFO	Funds From Operations
IPUC	Investment properties under construction
JVA	Joint ventures and associates
LTI	Long-term incentives
MPC	Masterplanned communities
MPT	Mirvac Property Trust
NOI	Net operating income
NRV	Net realisable value
SaaS	Software-as-a-Service
SBP	Security-based payment
SoCE	Statement of changes in equity
SoCI	Statement of comprehensive income
SoCF	Statement of cash flows
SoFP	Statement of financial position
STI	Short-term incentives