ACKNOWLEDGEMENT OF COUNTRY

Mirvac respects Aboriginal and Torres Strait Islander peoples as the Traditional Custodians of the lands and waters of Australia where we live, work and play.

Artwork created by Riki Salam (Mualgal, Kaurareg, Kuku Yalanji) of We are 27 Creative.

Mirvac is an Australian property group with a clearly defined purpose to Reimagine Urban Life.

By creating beautiful homes, inspiring workplace and logistics precincts, and thriving shopping centres, we aim to make a positive contribution to our cities and communities.

ABOUT THIS REPORT

The FY23 Annual Report is a consolidated summary of Mirvac Group's operations, performance, and financial position for the year ended 30 June 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 Limited also includes Mirvac Property Trust and its controlled entities. References in this report to a 'year' relate to the financial year ended 30 June 2023. All dollar figures are expressed in Australian dollars (AUD) unless otherwise stated.

Mirvac's Board acknowledges its responsibility for our FY23 Annual Report and has had oversight of its development. The Board reviewed, considered, and provided feedback during the production process and approved the Annual Report, consolidated financial statements, on 16 August 2023. The Directors have the power to amend and reissue the financial statements. Our full-year financial statements can be found on pages 71 to 120.

Mirvac continues to align its Annual Report with the 2021 International Integrated Reporting <IR> Framework (2021) (<IR> Framework). In FY23, Mirvac has referenced, but not yet fully applied, the fundamental principles, content elements and guiding principles.

All sustainability reporting within this report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option. PwC has provided limited assurance over select environmental and social data within the annual reporting suite, covering the 12 months to 30 June 2023. Our assurance statement is available online at www.mirvac.com/sustainability/our-performance.

CONTENTS

REPORTING SUITE

This reporting suite sets out the Group's financial and operational performance for the year ended 30 June 2023 across the following documents:

> MGR FY23 Results Presentation: an overview of Mirvac's financial, operational and sustainability performance for the financial year
> MGR FY23 Additional Information: information supporting Mirvac's FY23 Results Presentation
> MGR FY23 Annual Report: an in-depth overview of Mirvac's financial, operational, and sustainability performance for the 2023 financial year, along with the Group's Directors' Report, its Remuneration Report and its detailed financial statements
> Corporate Governance Statement 2023
> MGR FY23 Property Compendium: a detailed summary of the Group's investment portfolio, funds, and its commercial and residential development pipeline as at 30 June 2023
> MPT FY23 Annual Report: an overview of Mirvac Property Trust's financial performance for the financial year
> Building Climate Resilience: an overview of Mirvac's approach to managing its climate-related risks and opportunities, which aligns with the recommendations set out by the Task Force on Climate-related Financial Disclosures.

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).

DIRECTORS' REPORT AND OPERATING AND FINANCIAL REVIEW (OFR)

The required elements of the Directors' Report are featured on pages 46 to 48 of this report. Our financial and operational results for FY23 are covered specifically on pages 32 to 37. All financial and non-financial metrics included in this annual report have been verified through our internal verification process. The Remuneration Report on pages 49 to 69 and the Financial Statements have been audited by PwC.

MATERIALITY

We have defined 'relevant matters' for inclusion in our FY23 Annual Report, prepared with reference to the <IR> Framework, as those matters that are material to securityholders and other providers of financial capital in making their various decisions with respect to their ongoing investment, funding, and support for Mirvac. The FY23 process to determine material 'relevant matters' has been:

Identifying material relevant matters

We conduct an assessment of our key risks each year to identify material operational and strategic matters that could potentially impact the achievement of our strategy over the short, medium and long term. As part of this process in FY23, we:

> scanned the external environment to identify political, economic, societal, technological, and environmental threats and opportunities
> consulted with senior management and our Board to identify strengths, weaknesses, opportunities and threats regarding risk mitigation strategies
> engaged with industry
> sought to understand our key stakeholders' and investors' needs and their expectations of us.

Evaluate and prioritise

To evaluate the material matters, our key risks were discussed with the Executive Leadership Team and the Board in a structured workshop. Key risks and risk mitigation strategies were evaluated and prioritised based on likelihood of the material matter occurring, and the impact on value creation and protection.

Disclose

Our key risks and risk mitigation strategies are set out on pages 38 to 41. These were reviewed and evaluated at least every quarter by our Executive Leadership Team and the Audit Risk & Compliance Committee, with the full Board in attendance at these meetings. Due to the complex nature of our risk profile, some of these material matters may impact on our ability to create and protect value over the short, medium and long term.

Mirvac continues to evolve its Integrated Reporting processes in line with the <IR> Framework. During the financial year, this included engaging with key stakeholders on our value creation capability and materiality processes and the 'relevant matters' required in an Integrated Report (that is, those that the Board understand to be material to Mirvac's securityholders and other providers of financial capital in making decisions relating to their ongoing investment, funding and support for the company).

South Eveleigh, Sydney

About Mirvac

We are a leading urban property group, with a clearly defined purpose to *Reimagine Urban Life*.

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 dedicated ourselves to shaping Australia's urban landscape, with a strong focus on placemaking, safety, sustainability, and innovation. We own and manage $11.9bn of assets across office, industrial, retail and build to rent on our balance sheet, and manage $17.1bn of external assets for our aligned capital partners. Through our $11.6bn commercial development pipeline and our $17bn residential development pipeline, we create award-winning urban precincts that set new benchmarks in sustainability and design excellence. Our projects and activities are strategically located in Sydney, Melbourne, Brisbane, Canberra and Perth.

Underpinning the success of our urban strategy is our integrated and diversified business model, which ensures we maintain an appropriate balance of passive and active capital, enabling us to be agile and respond to fluctuations in the property cycle. This integrated approach also gives us a competitive advantage across the lifecycle of a project. From site acquisition, urban planning and design, through to development and construction, leasing, sales and marketing, property management and long-term ownership, we exercise control over the entire value chain. This means we are also able to see the bigger picture and take a longer term view, with the ability to create multifaceted spaces and adapt to our customers' diverse and changing needs. The value that our integrated approach delivers to our business and our broad range of stakeholders is further outlined on pages 14 to 31.

And key to everything we do is our people, who help us to drive significant outcomes for our customers, communities, securityholders, and our planet. By harnessing the unique skill set of our people across each of the sectors we operate in, we are able to create and curate outstanding urban environments and make life better for millions of Australians.

OUR PURPOSE

Our purpose is to *Reimagine Urban Life*, which inspires us to think about how we can enhance the lives of those who work, shop, or live in and around our assets and developments. We apply our expertise and experience to create unique urban precincts and thriving communities, and we look to have a positive impact in all that we do. This means designing and delivering assets and projects that are at the forefront of sustainability and innovation; creating communities that connect the people within them and leave a positive legacy; and harnessing the capabilities and the power of our people.

Gainsborough Greens, Queensland

OUR VALUES

Our values are aligned with our purpose and guide us in what we do.

- WE PUT PEOPLE FIRST
- WE COLLABORATE
- HOW WE WORK MATTERS
- WE ARE PASSIONATE ABOUT QUALITY AND LEGACY
- WE ARE CURIOUS AND BOLD
- WE ARE GENUINE AND DO THE RIGHT THING

OUR BUSINESS

We have three core business segments that drive our financial performance and underpin our commitment to *Reimagine Urban Life*: Investment, Funds, and Development.

INVESTMENT

~$26BN ASSETS UNDER MANAGEMENT

OFFICE

- 24 assets[1]
- Portfolio value: $7.7bn[2]
- NLA: 836,970 sqm

Heritage Lanes, Brisbane

INDUSTRIAL

- 10 assets[1]
- Portfolio value: $1.5bn[2]
- NLA: 470,939 sqm

Calibre, Sydney

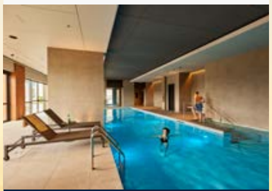
RETAIL

- 11 assets[1]
- Portfolio value: $2.4bn[2]
- NLA: 330,718 sqm[3]

Broadway, Sydney

BUILD TO RENT

- Two assets[1] and three developments under construction
- Co-investment equity value: $272m[2]
- 805 completed, 1,368 pipeline apartments[4]



LIV Munro, Melbourne[8]

FUNDS

FUNDS

- ~$17.1bn third-party capital under management[5]
- $14.4bn Funds under management
- 14 funds, mandates and JV partners

Angel Place, Sydney

DEVELOPMENT

~$29BN DEVELOPMENT PIPELINE

COMMERCIAL & MIXED USE

- ~$3.1bn active developments[6]
- ~$11.6bn total pipeline value[6]

Elizabeth Enterprise, Badgerys Creek[9]

RESIDENTIAL

- 22,974 pipeline lots[7]
- ~$17bn expected future revenue[6]
- ~$1.8bn pre-sales[8]

Olivine, Melbourne[9]

1. Includes BTR, assets for sale, but excludes IPUC, other co-investment properties and properties held for development. 2. Portfolio value includes assets held for sale, properties being held for development and co-investments, based on equity value, excludes IPUC and represents fair value (excludes gross up of lease liability under AASB 16). 3. Excludes 80 Bay Street and 1-3 Smail Street, Ultimo. 4. Completed apartments include LIV Indigo and LIV Munro; pipeline apartments are 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. 5. Includes external Funds, Developments and Assets under management. 6. Represents 100% expected end value / revenue (including GST) including where Mirvac is only providing Development Management Services, subject to various factors outside Mirvac's control such as planning outcomes, market conditions, construction cost escalation, supply chain risks, weather and other uncertainties. 7. Subject to change depending on various factors outside of Mirvac's control such as planning outcomes, market conditions, construction cost escalation, supply chain risks, weather and other uncertainties. 8. Represents Mirvac's share of total pre-sales and includes GST. 9. Artist impression, final design may differ.

FY23 highlights

Mirvac delivered a solid operational result in FY23, demonstrating our continued resilience in a challenging operating environment.

STATUTORY LOSS
($165m)
down 118% on FY22

GROUP OPERATING EBIT
$767m
down 1% on FY22

OPERATING PROFIT
$580m
down 3% on FY22

GEARING[1]
25.9%
up 4.6% on FY22

DISTRIBUTIONS
10.5cpss
up 3% on FY22

OPERATING EARNINGS
14.7cpss
down 3% on FY22

OPERATING CASH FLOW
($57m)
down 106% on FY22

NTA[2]
$2.64
down 5% on FY22

SECURED
$1.8bn
of residential pre-sales[3]

LEASED OVER
223,400sqm
of office, industrial and retail space

SETTLED
2,298
residential lots

3 new aligned partnerships

THIRD-PARTY CAPITAL UNDER MANAGEMENT
$17.1bn
up 64% on FY22

TOTAL ASSETS UNDER MANAGEMENT
~$26bn

1. Net debt (at foreign exchange hedged rate) / (total tangible assets – cash).
2. NTA per stapled security excludes intangibles, right-of-use assets and deferred tax assets, based on ordinary securities, including EIS securities.
3. Represents Mirvac's share of total pre-sales and includes GST.

DELIVERED

$13.9m

in community investment

NAMED BY EQUILEAP AS THE

world's

most gender equitable company for the second year in a row

DIRECTED

$9.2m

of procurement spend to social enterprise

AWARDED

AUSTRALIA'S FIRST

5 Gold Star

iCIRT rating from Equifax

Letters to our securityholders

CHAIRMAN'S LETTER

Dear securityholders,

I am pleased to present my first report to you as Chair of Mirvac. It is an honour to have stepped into this role on behalf of my Board colleagues. Mirvac has an outstanding reputation in the property sector, a passionate and dedicated workforce, and a remarkable 50-year history of contributing to Australia's urban landscape.

FY23 has been a challenging year, however, we continued to make good progress on our strategy. The structural changes created by the COVID-19 pandemic continued to be felt across the property industry. Rising inflation and interest rates, together with supply chain issues, labour shortages, and declining consumer confidence have had a considerable impact on our business.

I am proud of the way our leadership team has responded to these challenges, taking steps to ensure we are positioning the company by focusing on our long-term objective of creating value for our securityholders. We focused on managing what was in our control, which included protecting our balance sheet, growing our third-party capital partnerships, maintaining our high-performing culture, and enhancing our strategy in light of the changing environment.

FINANCIAL PERFORMANCE AND CAPITAL MANAGEMENT

Our statutory loss of $165m was driven by valuation declines of $528m, in addition to higher net financing costs, and a number of one-off transaction costs relating to the onboarding of the Mirvac Wholesale Office Fund and the establishment of two new ventures.

Wet weather, labour constraints, material shortages, and increased construction costs impacted our residential business, leading to construction delays across a number of apartments and masterplanned communities projects. As a result, we revised our FY23 settlement guidance in April from greater than 2,500 lots to approximately 2,200, and reset EPS guidance to least 14.7 cents per stapled security (cpss), from previous guidance of 15.5cpss. This reflected some lot settlements moving into FY24, as well as delayed settlement of our industrial development at Aspect North in Kemps Creek, Sydney.

Our operational profit of $580m was down 3 per cent on FY22, and translates to 14.7 cents per stapled security, which is in line with our revised guidance. Pleasingly, we were able to increase distributions by 2 per cent from FY22 to $414m, equating to 10.5 cents per stapled security.

With the cost of capital increasing and capitalisation rates expanding during the financial year, the importance of robust and flexible capital management remained front of mind. We maintained a strong balance sheet and financial position, aided by $454m in asset disposals and our capital partnering initiatives. Despite some delayed residential settlements, gearing remained well within our 20 to 30 per cent target at 25.9 per cent. High liquidity of over $1.3bn was maintained, along with a weighted average debt maturity of 5.0 years. Prudently, 60 per cent of our debt was hedged. As a result of our disciplined capital management, our A3 credit rating from Moody's and our A- credit rating from Fitch were retained. This will ensure we can continue to access diverse sources of capital to fund our development pipeline and capitalise on opportunities as they arise.

During the financial year, we reclassified the way we define active capital, which now includes investment properties under construction. We will continue to target a 20 to 30 per cent allocation to active capital over time, with 70 to 80 per cent of our capital allocated to passive investments. This combined allocation is consistent with our exposure in previous years, and is expected to remain below 30 per cent over time.

BOARD AND EXECUTIVE LEADERSHIP TEAM CHANGES

There was considerable change in our leadership structure in FY23, which reflected both our Board renewal process and our increased focus on growing our funds management business.

In October last year, John Mulcahy announced his retirement from Mirvac, having served on the Board since 2009 and as Chair since November 2013. I would like to thank John for his leadership of the Board and his significant contribution to Mirvac during his tenure.

During the financial year, Susan Lloyd-Hurwitz, who served as Mirvac's CEO & Managing Director, announced her plan to retire from Mirvac at the end of the financial year, providing a smooth transition for an internal successor in Campbell Hanan.

Susan has been instrumental in the growth and evolution of Mirvac over the past decade, overseeing the successful execution of the Group's urban strategy and upholding its long legacy of quality and care. I would personally like to thank Susan for her outstanding contribution and recognise her as the architect of Mirvac's culture as it stands today. Susan's remarkable leadership and focus on gender equality, diversity and inclusion, sustainability, and innovation have been well recognised externally, with Mirvac also achieving consistently high employee engagement scores over the past 10 years.

Campbell was appointed to the role of Group CEO & Managing Director, commencing 1 March this year. Campbell joined Mirvac in 2016 as Head of Office & Industrial and was appointed Head of Integrated Investment Portfolio (IIP) in 2020. Campbell has over 30 years of experience in the property and funds management industry, including 12 years with Investa Office, where he held the position of CEO for almost three years. During his time at Mirvac, Campbell has played a key role in transforming our investment portfolio, as well as working with the Executive Leadership Team to set the strategy and drive performance. The Board has every confidence that Campbell will continue to build on Mirvac's legacy and drive its success into the future.

In September last year, Brett Draffen announced his resignation as Chief Investment Officer (CIO) of Mirvac. Brett was an invaluable member of the Mirvac team for over 20 years, and I would like to thank him for his significant contribution to the Group during that time. Following Brett's departure, the decision was made not to replace the CIO role, and instead, use Brett's departure as an opportunity to reallocate the portfolio to existing roles within Mirvac. Our Chief Financial Officer, Courtenay Smith, absorbed Brett's CIO duties under her remit and Stuart Penklis absorbed Brett's Commercial & Mixed-Use Development responsibilities under a new combined Development Division.

In line with our strategy to grow our funds under management and build on our capital partnering success, we appointed Scott Mosely to the role of CEO, Funds in November last year. Scott leads our wholesale pooled funds and capital partnerships under a new Funds Division. Scott's extensive experience and his well-established relationships in the real estate capital and transactional markets make him well qualified for this role.

Given our newly formed Funds team, and with Campbell stepping into the role of Group CEO & Managing Director, the decision was made to separate IIP into an Investments Division and an Asset Management Division. The Investments Division manages assets and investments that are on Mirvac's balance sheet, including investments held by Mirvac Ventures, while the Asset Management Division services both our Investments and Funds teams independently, ensuring any conflicts of interest are appropriately managed.

Following an internal recruitment process, Victoria Tavendale was appointed as our Chief Asset Management Officer, and Richard Seddon was appointed as CEO, Investments. Victoria and Richard are both highly capable, respected, and experienced professionals and have worked at Mirvac for the past six and five years respectively. It is a testament to the quality of leadership that we have at Mirvac that we were able to promote from within the organisation, and demonstrates the strong focus we have on professional development and talent management.

With this renewal to our Board and leadership team, I am confident that we continue to have the right people with the right skills and experience required to steer Mirvac through the current economic uncertainty and ensure Mirvac's future success.

DIVERSITY & INCLUSION

Maintaining a diverse and inclusive culture is core to who we are. Our goal is to ensure that all of our employees feel like they belong and that they can be their true and authentic self at work. Earlier this year, we were proud to support Sydney WorldPride, with many of our office assets and retail centres coming alive through activations, installations, and events.

During our WorldPride celebrations, we announced a new partnership with The Pinnacle Foundation, which provides young LGBTQ+ Australians with educational scholarships and mentoring opportunities to help them realise their full potential. Through our partnership, we have established three property and construction scholarships, with the successful applicants to be announced early next year. We also announced our first LGBTQ+ working group, The Pride Committee, led by our Chief Digital Officer. Through this committee, our intent is to continue to harness the power of diversity within our organisation.

Pleasingly, our focus on diversity was recognised externally. We were honoured to have been named by Equileap as the number one company in the world for gender equality for the second time in two years. The award highlights the many initiatives we've taken over the past 10 years to embed gender equality within the business, including our generous Shared Care Parental Leave Policy and the superannuation we pay on periods of unpaid parental leave, the support we provide employees affected by domestic and family violence, our investment in women's mentoring programs, and our focus on ensuring a zero pay gap for like-for-like roles for the past seven years.

REMUNERATION

We continue to align our remuneration framework with the interests of our employees and those of our securityholders and stakeholders. In early FY23, and informed by external benchmarking data, STI targets for the Executive KMP increased from 70 per cent to 100 per cent of fixed remuneration, with the maximum reduced from 200 per cent of target to 150 per cent of target. The deferral component of the STI was increased from 25 per cent to 40 per cent, with all changes effective 1 January 2023.

A financial gateway of 90 per cent of budget for the Group STI Pool was maintained, which the Human Resource Committee (HRC) believes is important to align financial performance with individual STI outcomes. In FY23, operating profit was above the gateway, and the HRC approved a Group STI score of 94.5 per cent, down from 113 per cent in FY22. This reflects the more challenging financial performance balanced with the contribution of management to deliver outcomes.

The performance period for the FY21 Long-term Performance Plan (LTP) completed on 30 June 2023. The FY21 LTP was subject to a single performance measure of relative TSR over the performance period starting 1 October 2020. Mirvac's absolute TSR performance of 18.68 per cent was at the 57th percentile of the comparator group, resulting in total vesting of the FY21 LTP of 64 per cent.

OUTLOOK

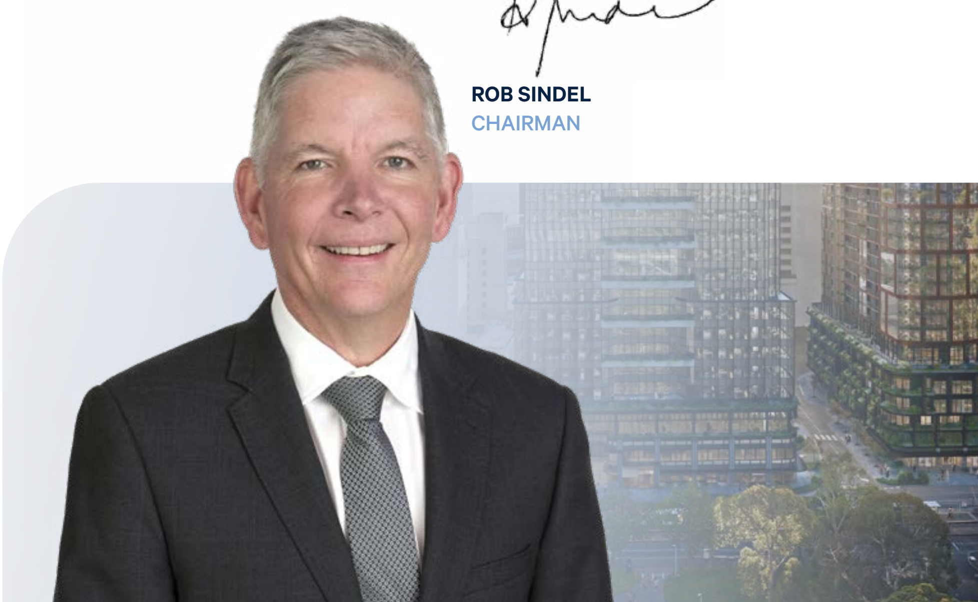
While high inflation and interest rates continue to place pressure on our operating environment, our integrated model ensures that we are well positioned to continue to execute our urban strategy and deliver long-term growth. We have a high-quality, modern, sustainable investment portfolio that is expected to continue to deliver resilient cash flow streams to our securityholders. This will be further enhanced by industrial and build to rent developments, in partnership with third-party capital providers. We will continue to progress our non-core asset sales program to optimise capital allocation across our portfolio, actively manage our development capital, and focus on unlocking the considerable value from our development pipeline over the coming years.

Expanding our funds management offering with aligned capital partners remains a strategic focus for the Group, and is well supported by our continued commitment to develop our deep multi-sector development pipeline and deliver market-leading investment and sustainability performance.

Importantly, we have a strong leadership team in place, which, together with our Board, is committed to growing our existing portfolio and leveraging opportunities where we can apply our more-than-50 years of expertise in delivering quality residential product, such as affordable housing and land lease communities. Our owner's mindset will also continue to ensure that every decision we make is for the benefit of our capital partners and our securityholders.

Overall, the Group is in a solid position, and I am pleased with the focus and discipline that has been applied by our leadership team to position Mirvac for the future. An enormous amount has been achieved in FY23, and I would like to thank Susan and Campbell and the rest of the team at Mirvac for their hard work, enthusiasm, and dedication over the past 12 months. I would also like to thank my Board colleagues for their contribution, and our securityholders for your continued support.

ROB SINDEL
CHAIRMAN



Letters to our securityholders

CEO & MANAGING DIRECTOR'S LETTER

Dear securityholders,

I am pleased to present my first report to you as Group CEO & Managing Director, and I would also like to take the opportunity to thank Susan Lloyd-Hurwitz for her leadership over the past 10 years. I was fortunate enough to step into the role with a clear urban strategy in place and a high-performing and motivated workforce to deliver on our strategy.

We have certainly achieved some big goals in FY23, and while our financial results reflect the challenging market we are in, our strong balance sheet, vibrant culture, platform of scale, and 50-plus years of experience, ensure we continue to be well placed for the future.

There is no doubt that our operating environment has shifted, with a number of cyclical and structural shifts underway. In addition to higher global interest rates, this includes a critical undersupply of housing, changing demographics, the ongoing densification of our cities, and technology changing the way we use real estate. To respond to these trends, we have identified five key areas of focus that we believe will be critical for us to continue to deliver into the future. These focus areas include:

> retaining balance sheet flexibility to execute our strategy and take advantage of future opportunities

> further improving the cash flow resilience of our high-quality $11.9bn Investment portfolio, with higher exposure to living sectors and Sydney-based industrial expected over time

> expanding our Funds offering across a broader suite of asset classes and product types to deliver superior returns and help unlock our development pipeline

> leveraging our integrated development capability to drive a more efficient allocation of capital, better utilisation of skills, and superior returns and risk management

> maintaining leadership in sustainability and culture, which will help to future-proof the business against changing stakeholder requirements and expectations.

We are making good progress in each of these areas, as outlined over the following pages of this report. With the business now restructured into Investment, Funds, and Development, and a new leadership team in place, I am confident that we will continue to deliver for our securityholders.

GROWING OUR THIRD-PARTY CAPITAL

Third-party capital will play a critical role in our business into the future as we look to unlock the substantial value embedded in our development pipeline and increase scale in living sectors, including build to rent and land lease communities, and the industrial sector. Our end-to-end development, asset management and investment expertise, our willingness to co-invest, and our ability to create best-in-class property investments are key to attracting aligned capital partners.

We made great progress to grow our funds under management in FY23, establishing the Mirvac Industrial Venture (MIV) with our existing capital partner, the Australian Retirement Trust, as well as the Build to Rent Venture, with aligned capital partners, including the Clean Energy Finance Corporation. These ventures are expected to deliver solid returns on our co-invested capital, along with additional fee streams, and will help to accelerate our growth into asset classes with strong fundamentals.

In addition to this, Japanese real estate company, Daibiru, signed as our new, long-term capital partner at our 7 Spencer Street development in Melbourne, enabling commencement of this next generation workplace development. The transition of the Mirvac Wholesale Office Fund (MWOF) was also completed and saw us welcome over 50 new employees to the Group, broaden our relationships with over 40 new investors, and complete our $500m co-investment, providing exposure to MWOF's high-quality, modern investment portfolio.

INCREASING THE RESILIENCE OF OUR INVESTMENT PORTFOLIO

Our investment portfolio has undergone considerable change over the past decade as a result of our focused portfolio management. We have sold over $4.2bn of non-core assets and created approximately $6bn of assets across build to rent, industrial and office, substantially improving the quality of our portfolio. As a result, we now have a high quality, modern, sustainable portfolio that has consistently outperformed the direct real estate performance benchmarks.

Our focus on a cash-resilient, modern investment portfolio underpinned a solid performance in FY23. Occupancy remained high at 96.9 per cent and we saw elevated leasing activity, particularly at our build to rent assets. Both tenant and capital demand for our build to rent assets and our Sydney-based industrial portfolio remained strong, supported by positive market fundamentals, reinforcing our plans to increase our capital allocation to these sectors over time.

The bifurcation of tenant and capital demand in the office sector also continued to play out, and occupancy remained high at 95 per cent. The recovery in retail also continued, with moving annual turnover up 11 per cent on FY22, with positive foot traffic growth of 25 per cent.

As well as lifting our exposure to the living sectors and industrial assets in Sydney over time, and in light of structural changes in the office sector, we will continue to focus our exposure to modern, Prime assets where demand fundamentals remain the most resilient and capital expenditure needs are lower.

PROGRESSING OUR DEVELOPMENT PIPELINE, PRUDENTLY

We remain focused on progressing development projects that have the right tenant pre-commitments and capital partner support in place, and our committed active capital is largely centred around our build to rent and industrial projects, in line with our stated objectives. During the financial year, we achieved practical completion of LIV Munro, Melbourne and progressed construction at LIV Aston, Melbourne and LIV Anura, Brisbane, and we have now commenced construction at LIV Albert Fields, Melbourne. Construction at Switchyard Industrial Estate in Auburn, Sydney is nearing completion, with the project 96 per cent pre-leased, and construction progressed at Aspect, Kemps Creek in Sydney, where we are pursuing our first net positive embodied carbon development.

Being prudent with our capital in an uncertain environment, we deferred the near-term redevelopment of our assets at 90 Collins Street and 383 La Trobe Street in Melbourne, and 75 George Street, Parramatta, with a strategy to re-lease in the short-term. The ability to adapt to the market and be flexible and selective in our deployment of capital is a key strength of our integrated model.

While we were certainly not immune to the challenges in the residential sector, our in-house design, development and construction capability helped us to manage the impacts of rising materials costs, supply chain issues, and labour shortages in FY23 better than most. With wet weather impacting construction and settlement programs, we made the decision to delay a number of residential lot settlements into FY24, ensuring our commitment to the quality of product we deliver to our customers remained intact.

Overall in FY23, we settled 2,298 residential lots, slightly exceeding our revised guidance of approximately 2,200 lots. The main drivers were our masterplanned communities projects, including Smiths Lane, Tullamore and Woodlea in Victoria, and Googong in New South Wales, which contributed 56 per cent of total settlements. Sales activity moderated during the period, following a peak driven by government stimulus and historically low interest rates, however, our $1.8bn in residential pre-sales continues to provide us with good visibility of future earnings.

We expect sales activity to further improve over the coming 12 months, supported by tight vacancy, a restricted supply outlook, and the resumption of overseas migration, and we have a flexible launch program ready in place to take advantage of more favourable conditions.

PEOPLE AND CULTURE

Maintaining a high-performing culture that is diverse, inclusive, and collaborative will help us to maintain our competitive advantage, while ensuring our people are engaged and enabled to deliver on our urban strategy. Our overall employee engagement score of 79 per cent in FY23 reflected our continued focus in this area.

Amid a significant amount of change in our workforce, we continued to prioritise our peoples' physical and mental wellbeing. This included continuing to provide our people and their families with access to digital care platform, Sonder, which delivers medical and mental health services and support. We are also steadfast in our commitment to keep our teams safe at work, and in line with that, we continued to prioritise the prevention of major hazards, particularly to preventing high-consequence incidents across our portfolio. Our robust safety approach in FY23 was reflected in a low Lost Time Injury Frequency Rate of 1.71 in FY23, along with a Critical Injury Frequency Rate of 0.11.

Innovation remains a key element of our culture, helping us to genuinely reimagine how we can make lives better for those in our communities. In FY23, we progressed our work to deliver a more inclusive offering at our residential projects, working with Specialist Disability Accommodation provider, InHab Australia, to design six dwellings that will be built at three of our masterplanned communities in Victoria in early FY24. We also continued to embed a culture of innovation at Mirvac by training more than 100 employees on how to apply our award-winning innovation methodology to our projects. We are proud to have consistently placed in the top 10 in the property and construction category of the *AFR Boss Most Innovative Companies* for the past four years.

ESG PERFORMANCE

Having reached our target to be net positive in our scope 1 and 2 emissions by 2030, nine years ahead of intentions, we released a new environmental plan during the financial year that details our target for scope 3 carbon emissions. Our focus will be on leveraging our internal design and procurement capabilities, our in-house sustainability expertise, and our relationships with our partners and suppliers to reduce emissions as far as possible, with the intention to invest in high-quality, nature-based, Australian offsets for remaining emissions from FY30.

Consistent with our commitment to our ESG goals, we issued our Sustainable Finance Framework during the financial year, which sets out how we will issue and manage sustainable finance instruments. Under this framework, all financing arranged in FY23 was certified green by the Climate Bonds Initiatives, taking our total green debt facilities to $2 billion.

Having a strong social impact is another key focus under our ESG strategy, and we have a goal to invest at least $50 million towards creating a sense of belonging at our communities by 2025, using our buying power and delivering social infrastructure amenity that can help make a difference. We have progressed our community partnerships, which build capacity and scale our social impact. You can read more about some of the fantastic initiatives underway on page 30 of this report.

We believe that we all have a role to play in creating a more just and reconciled Australia, and through our second Reconciliation Action Plan, we have been working to meaningfully embed reconciliation in the way we do business and build cultural understanding and inclusion for First Nations People. With the referendum on the Voice to Parliament approaching, we are focused on facilitating learning and knowledge sharing for our employees and communities, so that they can make an informed choice when the time comes.

OUTLOOK

Despite the current operating environment and volatility in markets, I believe we have an incredibly exciting future ahead of us. Our integrated and diversified business model has demonstrated resilience for more than 50 years and is further supported by a clear urban strategy and a passionate team of people. As our business and the operating environment continue to evolve, we remain as committed as ever to delivering quality for our customers, advancing our sustainability ambitions, innovating, and maintaining our unique and vibrant culture. I look forward to building on our vision on how we can continue to deliver exceptional places and experiences for millions of Australians.

I would like to join Rob in thanking everyone at Mirvac for their hard work and dedication in a challenging year. I would also like to thank the Board for their stewardship, support and guidance; our valued capital partners; and you, our securityholders, for your continued trust and support in Mirvac.

CAMPBELL HANAN
CEO & MANAGING DIRECTOR

Our strategy

Our commitment to *Reimagine Urban Life* underpins our strategy. We focus on Australia's most attractive urban markets, with an ambition to create places and precincts for the long term, while delivering sustained value to our securityholders.

Our strategy is supported by our vision to be a leading creator and curator of urban places and experiences for millions of Australians.

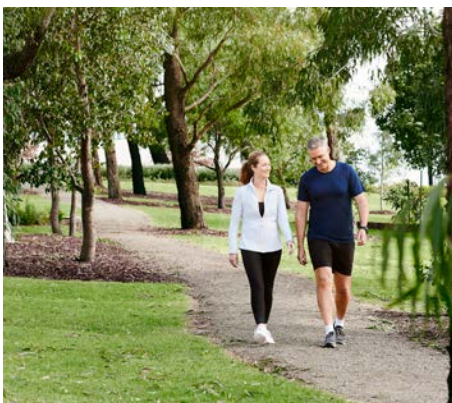
Pillars of Value	Our Aspirations	Where We Will Compete	How We Will Deliver
PERFORMANCE	Delivering financial outperformance	**Sectors** > Office > Industrial > Retail > Living (including build to sell, build to rent, and land lease) > Mixed Use **Markets** Major Australian urban areas with sufficient market depth	*Retain balance sheet flexibility* to execute strategy and take advantage of opportunities *Increase resilience of investment portfolio* by lifting exposure to high-quality, modern, assets that require less capital expenditure *Leverage development capability* through a more selective approach towards deployment of capital *Expand funds offering* to deliver superior returns and help to unlock development pipeline *Continue leadership in ESG and culture* to future-proof the business and respond to changes in customer, capital and regulator requirements
PLACE	Maintaining our integrated creation and curation capability, reputation for quality, and deep expertise in our sectors of choice		
PEOPLE	Creating competitive advantage through people and culture		
PARTNERS	Creating strong and enduring relationships with our customers, partners and investors; and being trusted by governments and communities		
PLANET	Remaining a leader in ESG		

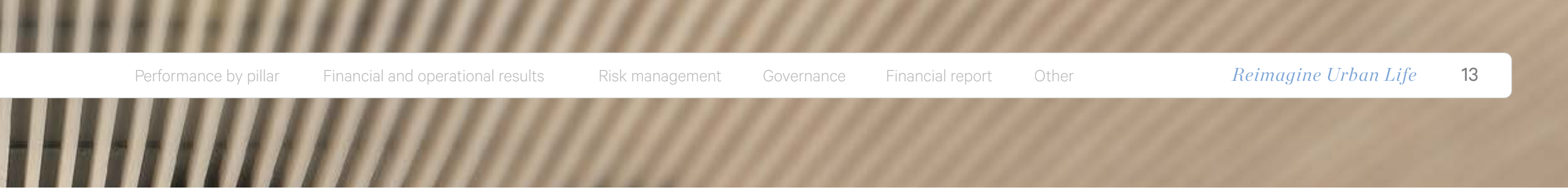
EY Centre, 200 George Street, Sydney

Megatrends shaping our world

Our operating environment continues to evolve, with a number of key global megatrends shaping our world and the cities we live in.

While these megatrends typically unfold over a long period, we are focused on continually monitoring them to understand their potential impact to our business, workforce, customers, and partners, so that we can enhance our strategy and both manage the risks and embrace the opportunities they present.





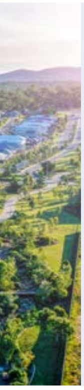
MACROECONOMIC AND GEOPOLITICAL LANDSCAPE

The reversion from the pandemic-induced 'free capital' aberration, alongside a backdrop of heightened global geopolitical tensions, continues to shape consumer, capital, and policymaker behaviour.

> Value and cashflow-conscious households and businesses.
> Continued growth in domestic and international capital pools (including consolidation and emergence of mega superfunds).
> Capital looking for resilient returns and platform opportunities, with Australia continuing to be favoured as a relative economic safe haven.
> Rise of protectionism and government/regulatory intervention, including a focus on production sovereignty and self-sufficiency.

HOW WE ARE RESPONDING

We have increased our focus on cost base and supply chain resilience, through strategic procurement and other productivity initiatives. We are also strengthening our capital strategy and deployment to growth sectors and lifting our exposure to high-quality, modern, capex-light assets. In addition to this, we continue to focus on being a responsible custodian and delivering strong returns for our third-party capital partners, and being a trusted partner for governments and communities.



URBANISATION AND INFRASTRUCTURE

The urbanisation of Australia's major capital cities continues, with varying impacts across real estate sectors.

> Continued densification and regeneration of cities driven by record migration, supportive government policy, investment in transport infrastructure, and the creation of new growth corridors.
> Consumers rediscovering the benefits of urban living, with the COVID-19 pandemic increasingly behind us.
> Flexible working leading corporates to seek adaptive workspaces, driving a flight to quality.

HOW WE ARE RESPONDING

We focus on key urban markets and creating and curating high quality, desirable, and sustainable assets, precincts, and communities. We believe that Australian cities will continue to be the drivers of economic output, and we apply our placemaking capabilities to deliver places people want to work, shop and live in. We are sharpening our focus on Premium office assets to take advantage of the continued bifurcation of investor and tenant demand. We are also committed to exploring new living sectors, such as land lease, and growing our build to rent portfolio, to help address housing supply and affordability issues in Australia.

CHANGING DEMOGRAPHICS AND CONSUMER BEHAVIOURS

Changes in our population will impact how people live, work, and play.

> Ageing demographic in aggregate, however our cities are forecast to 'stay young'.
> Five generations in the workforce by 2031, with Gen Alphas entering and Baby Boomers transitioning out.
> Record migration levels over the next decade, creating increasingly diverse cultural influences on product trends.
> Increasing adoption of share economy and access over ownership, driving the potential emergence of generational renting and the institutionalisation of traditional rental sectors.
> Increasing focus on healthcare, including physical and psychological health and wellbeing.
> Online, real-time and convenience is the norm.

HOW WE ARE RESPONDING

We are embedding an enterprise wide, customer-centric approach to designing and delivering products, services, and experiences that add value to our customers' lives. This includes bringing the online world to bricks-and-mortar and ensuring a true omni-channel offer for our retail partners and customers, leading the charge on build to rent, and exploring additional sectors and product types such as land lease and living solutions for over 55-year-olds.

DIGITAL EVOLUTION

The pace of digitisation is increasing and the world in which we operate is changing fast.

> Increasing expectation and reliance on technology in business and day-to-day life.
> Exponential growth in data-enabled analytics and process automation.
> End-to-end digitisation supporting the growth of prefabrication methods in construction.
> Continued acceleration and commercialisation of emerging technologies.
> Increased importance of data and cyber security.

HOW WE ARE RESPONDING

We are focused on executing our technology transformation agenda to uplift digital fitness across the organisation and capture efficiencies through improved operational systems and processes, including digital construction and prefabrication. We are also actively managing data and cyber risk, while continuously studying the impact, both in terms of risks and opportunities, of emerging technologies, such as Generative AI.

ESG FRONT AND CENTRE

Capital is flowing into investments that offer attractive ESG fundamentals, as well as specific decarbonisation activities.

> ESG, decarbonisation and increasingly, biodiversity, now a primary focus for investors and partners.
> Global capital and employees are searching for socially responsible impact.
> Government policy and regulation is moving from raising awareness to planning and action.
> Trust, social license, governance and transparency continue to be key.

HOW WE ARE RESPONDING

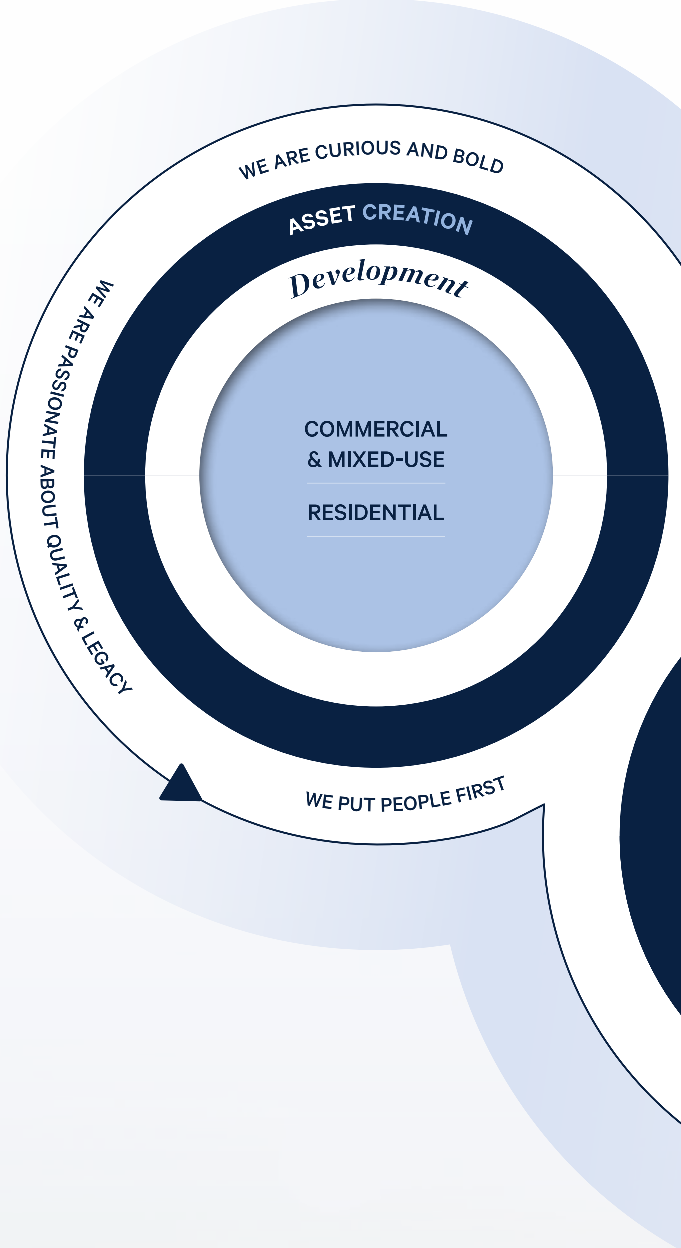
Our sustainability strategy, *This Changes Everything*, is integrated into the way we do business. It sets out our approach to environmental and social responsibility, as well as our commitment to transparency and doing the right thing. Having reached our goal to be net positive in scope 1 and 2 carbon emissions nine years early, we have now set our ambition in relation to scope 3 emissions and investing in our communities to create a strong sense of belonging. We are embarking on an enhanced, coordinated and enterprise-wide plan to achieve these ambitions by 2030, including science-based targets for scope 3.

Our pillars for creating value

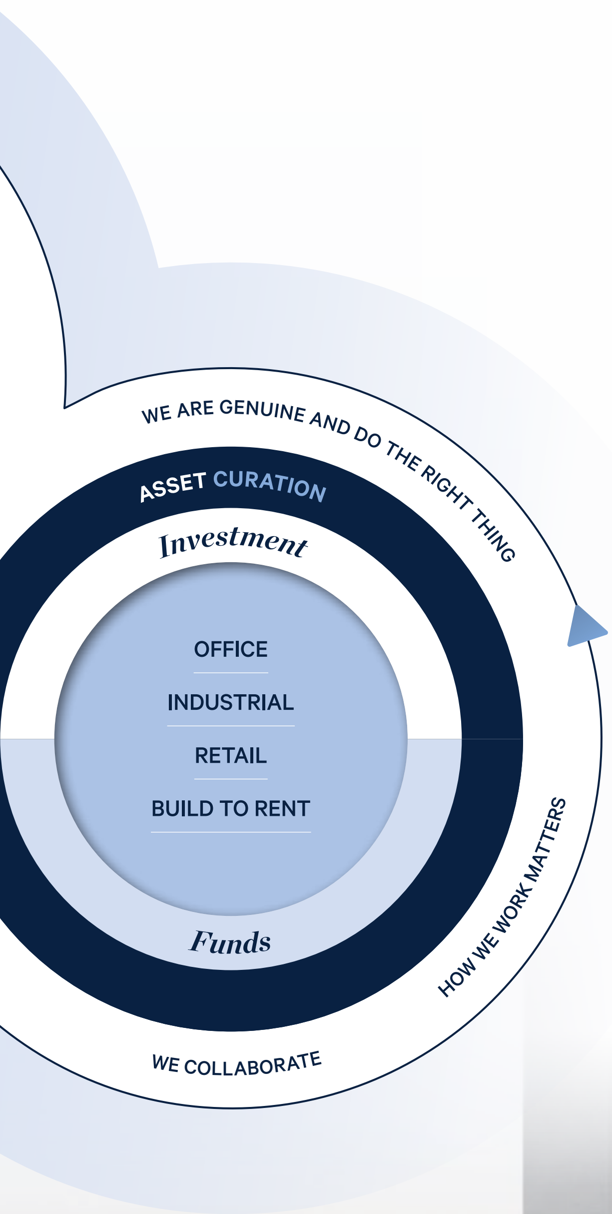
Creating value across our business helps to ensure Mirvac's success both now and in the future. We have identified and defined five key pillars that enable us to deliver on our strategy and allow us to maintain a healthy and resilient business. These pillars are set out below, and more detail on these can be found from pages 16 to 31.

OUR PILLARS OF VALUE

PERFORMANCE FINANCIAL	Having diversified and appropriately balanced sources of capital, including third-party capital, equity and debt, helps us execute on our urban strategy and deliver sustainable returns to our securityholders and capital partners.
PLACE ASSET CREATION AND CURATION	Our asset creation and curation capability delivers places that contribute to the vibrancy of our cities and improve people's lives.
PEOPLE PEOPLE, CULTURE AND SAFETY	Our people and culture are a source of competitive advantage in the delivery of our strategy and purpose.
PARTNERS CUSTOMERS AND STAKEHOLDERS	The relationships we build as a trusted partner allow us to deliver on our ambition to *Reimagine Urban Life*.
PLANET SUSTAINABILITY	Our rigorous focus on our environmental and social impact helps guide us to deliver outcomes that are planet positive and remain a global leader in ESG.



Isle Waterfront, Newstead (artist impression, final design may differ)



VALUE CREATED	HOW WE MEASURE VALUE
Excess returns for securityholders, above our cost of capital, in a sustainable manner, with appropriate levels of gearing maintained.	> Return on Invested Capital > Total shareholder return > Earnings per share > Distributions per share
Modern, high-quality assets and projects that deliver NTA uplift, development profit, and stable, recurring income and management fees to the Group.	> Investment: Occupancy, WALE, WACR and NOI > Development: Development EBIT and NTA uplift > Funds Management: Assets under management, and asset and funds under management profit
A culture that provides a competitive advantage and inspires our people to deliver on our goals and our urban strategy, while managing the risks to our business.	> Employee engagement > Talent retention > Lost Time Injury Frequency Rate (LTIFR) and Critical Injury Frequency Rate (CIFR) > % of women in senior management roles
A trusted brand with a reputation for delivering quality products and services across each of our asset classes.	> Net promoter scores > Customer satisfaction
A climate-resilient business that delivers assets and homes for our customers that are more sustainable and affordable to run, along with a positive community legacy.	> Water, waste and emissions performance > MSCI and Sustainalytics ratings > Social procurement spend > Community investment delivered

Performance

FINANCIAL

Having access to diverse sources of capital, while maintaining financial discipline, is central to our ability to deliver long-term sustainable growth for our investors and partners. We have access to a variety of debt sources, third-party capital, funds from non-core asset disposals, retained earnings, and equity markets (once conditions improve). These funding sources are critical to deliver returns to our securityholders, pursue new investment opportunities, and execute our development pipeline to create the next generation of assets.

CREATING VALUE THROUGH OUR INTEGRATED MODEL

Through our integrated business model, we are able to manage the entire lifecycle of a project, which ensures quality and attention to detail at every stage. The assets we create deliver stable, recurring income to the Group and superior returns. This creation capability and alignment of interest also help us to attract third-party capital to our business, providing recurring fees and supporting the execution of our development pipeline. Our Development earnings, both commercial and residential, are largely reinvested into the development pipeline, with our distribution funded by income from passive investments. Our in-house asset creation capability:

> delivers NTA uplift, development profit, management fees and new, high-quality recurring income to the Group
> reduces risk across supply chain, construction costs
> allows us to incorporate customer feedback into front-end design, while driving sustainable outcomes from the beginning of a project's lifecycle.

Our asset curation capability is also critical in driving superior investment performance and increasingly higher recurring funds management income streams, supported by our in-house asset management team. This unique flywheel model remains a key differentiator of our business.

NEW OPERATING SEGMENTS

During the financial year, we updated our operating model to support the future growth of our business. A Funds Management division was created, and the Integrated Investment Portfolio was separated into Investment and Asset Management to ensure management of conflicts of interest between our balance sheet assets and those that we manage on behalf of our capital partners.

As a result of these changes, management reporting and business earnings are now delivered across three key divisions:

> Investment: our passive portfolio, through which we derive income from directly owned assets, co-investment stakes in funds, and investments in joint ventures alongside our capital partners. Our diversified passive investment 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. We derive profits from developing next-generation assets for our institutional investors, as well as our own balance sheet, and through building homes and communities for our residential customers.

CAPITAL MANAGEMENT

In an increasingly volatile environment, effective capital management is essential to safeguard our financial licence to operate and meet our ongoing funding requirements. We maintain a target gearing range of 20-30 per cent and an investment grade credit rating of A3 and A- from Moody's Investor Services and Fitch Ratings respectively.

We also retain a distribution payout ratio of between 60-80 per cent of operating earnings per security. This policy strikes the right balance between providing sustainable income returns to securityholders versus reinvesting profits for longer term investments.

CAPITAL ALLOCATION AND RETURNS

In response to market forces driving a significant increase in the cost of capital across the spectrum, we have recalibrated internal return hurdles. This ensures that we are only pursuing opportunities that meet higher hurdles. Benchmark returns for our existing portfolio have also increased. Stemming from these updates, we continue to monitor portfolio performance with a view to optimise and remix the portfolio where appropriate.

During the financial year, we also reviewed and refined the capital allocation policy to include investment properties under construction in active capital. Commensurate with this updated definition, we will continue to allocate no more than 20-30 per cent to active capital through the cycle. We believe this achieves a balance between passive investments that provide steady income streams and active investments that add value through developments.

HOW WE MEASURE FINANCIAL PERFORMANCE

Our key earnings measure is operating earnings per security (EPS), reflecting the net result of underlying business operations. In addition, we also review and consider total shareholder return and distributions per security.

HOW WE MEASURE VALUE

	FY23	FY22
Return on Invested Capital	**(0.2%)**	6.9%
Total shareholder return	**18.7%**[1]	(19.2%)[2]
Earnings per security (cpss)	**14.7**	15.1
Distributions per security (cpss)	**10.5**	10.2

1. 1 October 2020 to 30 June 2023.
2. 1 July 2019 to 30 June 2022.

Mirvac's Portfolio Management Framework

1. Includes Investment Property Under Construction.

Place

ASSET CREATION AND CURATION

As a leading Australian property group, we drive value for our securityholders through the places, precincts, and communities we create. We do this by leveraging our integrated and diversified capability to deliver new, high-quality assets, curating those assets (and the assets we manage on behalf of our partners), and progressing our residential development pipeline.

ASSET CREATION

Development

- Integrated approach
- Centralised operations
- Recognised brand and proven track record

We have a strong track record of developing high-quality commercial and mixed-use assets, leveraging our development expertise to refurbish existing assets, and delivering apartments, build to rent precincts, and masterplanned communities that our customers are proud to call home. Our integrated approach provides cost efficiencies through centralised design and procurement, along with in-house construction and sales and marketing. With experienced teams managing each stage of the development process, we are able to fast-track designs, align our procurement programs across multiple projects, and more accurately forecast budgets for future projects.

Over the past 10 years, we have evolved our asset creation capability, leveraging our integrated skill set to move from being a largely residential and office developer to a true mixed-use urban asset creator.

While cost inflation and material and labour shortages continued to put pressure on the property industry during the financial year, our integrated model ensured that we remained resilient. All key skill sets in the lifecycle of a project are retained in-house, providing us with optimal controls over construction costs and supply chain risks, along with the ability to capitalise on market opportunities.

In FY23, we combined our residential and commercial and mixed-use businesses under one division to allocate our capital more effectively and to better harness and utilise our creation skills. We have an ambition to grow our exposure to new asset classes (such as build to rent and land lease), expand our industrial footprint, and position ourselves to take advantage of the next residential cycle – all the while delivering on our sustainability objectives. The diversity of experience across our Development team will also help us grow leaders into the future and further strengthen our asset creation capability.

COMMERCIAL & MIXED-USE


Switchyard Industrial Estate, Sydney (artist impression, final design may differ)

One of our key competitive advantages is our ability to bring complex urban assets and precincts to life. We focus on projects where we can leverage our expertise across different asset classes to deliver large-scale, city-shaping urban renewal projects.

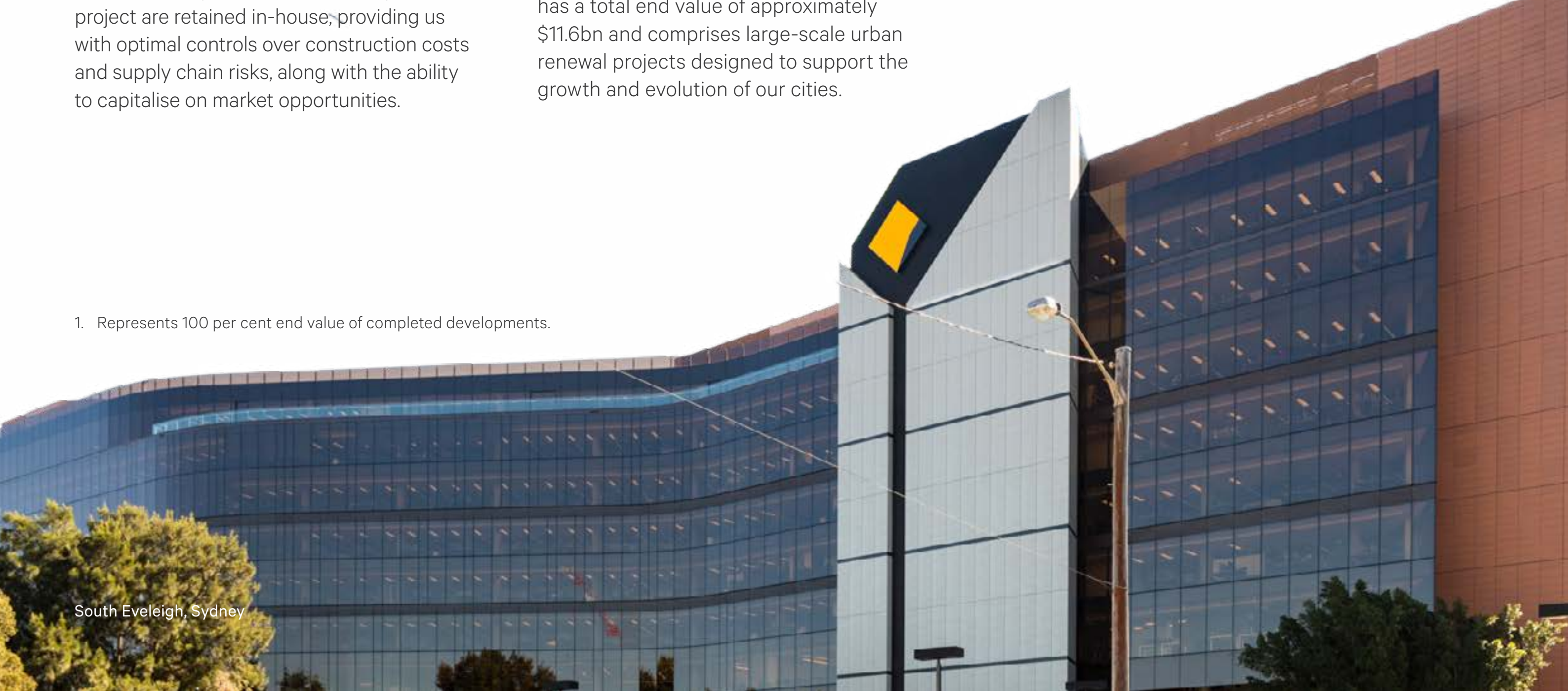
Our active commercial development pipeline has a total end value of approximately $11.6bn and comprises large-scale urban renewal projects designed to support the growth and evolution of our cities.

The majority of these projects have income in place or are held in capital-efficient structures, providing optionality and future value. We also focus on substantially de-risking our development pipeline through pre-leasing ahead of development completion.

Over the past 10 years, we have delivered approximately $6bn[1] of commercial assets, significantly improving the quality of our investment portfolio. The 13 new assets we have created in the office, industrial and build to rent sectors since 2014 have also delivered around $145m of new income to the Group, and generated approximately $1.3bn of value in the form of development earnings and revaluations, along with new recurring management fees from our aligned capital partners.

With tighter availability and a higher cost of capital, we continue to be prudent with the deployment of our development capital. We remain selective on progressing commercial development projects where return hurdles are met and market conditions are supportive. In FY23, this saw us advance a number of build to rent and industrial projects in line with our stated objective to grow our exposure to these sectors. Likewise, we deferred a handful of near-term redevelopments, including 90 Collins Street and 383 La Trobe Street in Melbourne, and 75 George Street, Sydney, with a strategy to re-lease in the short term.

1. Represents 100 per cent end value of completed developments.


South Eveleigh, Sydney

RESIDENTIAL


Trielle, Melbourne
(artist impression, final design may differ)

For over 50 years, Mirvac has delivered places of enduring value, and our attention to detail, focus on quality, and absolute commitment to our customers has earned us an unrivalled level of customer loyalty. We have approximately 23,000 lots under control across apartments and masterplanned communities, and a reputation for care and quality in everything we do.

We have a rigorous approach to planning, design, development, and construction, which ensures a high standard at all points of delivery, and our attention to detail is second to none. We have a name that is synonymous with quality, demonstrated by a strong history of repeat customers and countless industry awards.

Our long history of undertaking complex urban renewal projects and our integrated model ensures we are able to manage every aspect of development – from site acquisition to design, planning approvals, construction, marketing, and sales. We are also able to leverage our integrated capability to bring product to market quickly when conditions are favourable, and we have a track record of bringing releases forward to capture high demand.

Another advantage of our integrated offering is that we are better placed to mitigate the impacts of supply chain disruption and rising costs, because we can strategically procure across our residential product lines, with good visibility of our forward pipeline. While we were not immune to cost pressures and supply chain issues in FY23, our integrated model proved to be a true differentiator in a challenging environment.

HOW WE MEASURE VALUE

	FY23	FY22
Development		
CMU		
Development EBIT	**$214m**	$285m
NTA uplift	**(5.4%)**	4.5%
Residential		
Sales	**1,638**	2,898
Settlements	**2,298**	2,523

A FOUR-IN-ONE TOPPING OUT AT GREEN SQUARE

Green Square in Sydney represents one of the largest urban renewal projects in Australia, and for the past nine years, Mirvac has played a pivotal role in shaping this growing community.

In June this year, we were joined by the Honourable Paul Scully MP, NSW Minister for Planning and Public Spaces and the Lord Mayor of Sydney, Clover Moore, as we officially topped out the main structures of four new residential buildings, signalling the near delivery of over 300 new homes.

The completion of the four buildings – The Frederick, Portman on the Park, Portman House and Portman Terraces – marks a significant milestone for the ongoing evolution of Green Square from one of the city's oldest industrial suburbs to Sydney's first new town centre in more than a century, delivering much needed housing in a prime location. The new community we are delivering in partnership with state and local government has already provided homes for over 1,000 residents, and these three new apartment buildings will see approximately 685 residents calling the precinct home by the end of 2023.

By 2029, our leadership at Green Square will be evident in the more than 1,600 apartments we intend to deliver, along with state-of-the-art office and vibrant retail spaces, and substantial public spaces within the town centre. The precinct is already home to an internationally acclaimed library and civic plaza, Gunyama Park Aquatic and Recreation Centre, Green Square train station, Joynton Avenue Creative Centre, Goodstart Waranara Early Education Centre and over 40 parks, including the 6,200 square metre Drying Green, which acts as Green Square's central park.

Mirvac's CEO Development, Stuart Penklis, said:

'Green Square is a great example of how we create and curate places that make a positive contribution to our cities, while playing an important part in increasing housing supply in Australia. The buildings and public and social amenity we have delivered, and the community we are helping to foster, will meet the needs of its residents for years to come.'


Green Square, Sydney (artist's impression; final design may differ).

Place CONTINUED

ASSET CURATION

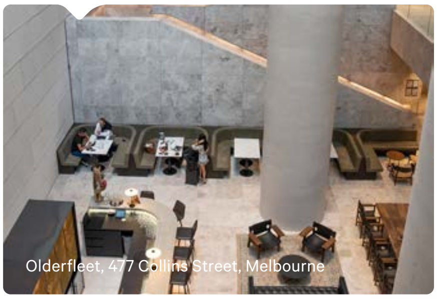
Investment

> Active portfolio management
> Disciplined portfolio growth
> Continuous quality improvement

Our Investment Division comprises four business streams that deliver stable, recurring income to the Group: Office, Retail, Industrial and Build to Rent. We have approximately $11.9bn[1] of assets on our balance sheet, and a focus on maximising performance across the portfolio. We take an integrated approach, which delivers a number of benefits and increased efficiencies to the Group, including streamlined procurement, centralised asset management, and resilience in investment.

In FY23, tenant and capital demand for our build to rent assets and our Sydney-based industrial portfolio remained strong, supported by positive market fundamentals. This reinforces our strategy to increase our capital allocation to these sectors over time.

OFFICE



Olderfleet, 477 Collins Street, Melbourne

Today's workplace is designed to encourage connection, creativity, collaboration, and innovation. We are leading the work revolution through the creation of flexible and adaptable workplaces that have technology and sustainability embedded throughout. Our office portfolio, comprising 99 per cent Premium and A-grade assets, is primarily located in Sydney and Melbourne, which continue to be Australia's economic powerhouses. Our young, modern, and high-quality portfolio that is future-fit has also benefitted from the bifurcation of tenant demand we have seen over the past few years, with assets like those in our portfolio continuing to achieve high occupancy, while requiring less capital expenditure.

INDUSTRIAL

Calibre, Sydney

Our industrial portfolio is 100 per cent weighted towards Sydney, and benefits from close proximity to transport infrastructure. As with our office portfolio, we focus on high-quality assets that provide our customers with flexibility, and through our close relationships with our tenants and our understanding of their business, we are able to develop facilities that allow them to fulfil their objectives and grow. We are focused on continuing to lift our exposure to industrial assets in Sydney, where vacancy is low and supply is restricted.

RETAIL

Birkenhead Point Brand Outlet, Sydney

We own and manage a diverse portfolio of retail assets across Australia's eastern seaboard, with an overweight to the strong Sydney market. Our centres are located within some of the most progressive and strongest growing urban and suburban catchments, anchored by long-term tenancies with key retailers. Through our integrated platform, we are able to carefully refine the retail offer for each asset and collaborate with our partners to deliver bold and innovative experiences. Our focus on having the right retail mix, on sustainability, and on providing opportunities for our brands to connect with and grow their audience, will also ensure we continue to create value for our securityholders into the future.

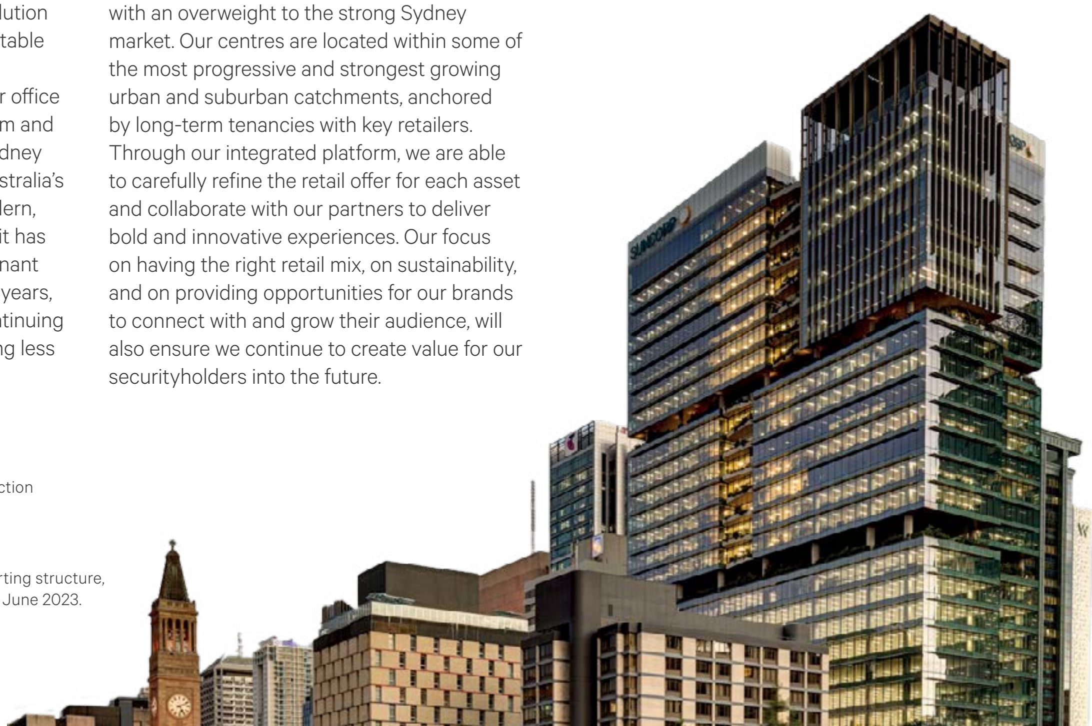
BUILD TO RENT

LIV Munro, Melbourne

Mirvac has long championed build to rent in Australia, which gives renters flexibility, choice, and convenience. As both the builder and co-owner, we are able to deliver a completely new property experience – one that's designed to remove the downsides that typically come with renting. At our build to rent assets, our customers don't have to pay a bond, they have security of tenure, and they are allowed to bring a pet and hang pictures on their walls. They are also provided with high-quality amenity, communal spaces, and residents' programs to help them connect with their neighbours. Our consistently strong customer focus and leasing success at our operational assets, LIV Indigo in Sydney and LIV Munro in Melbourne, demonstrate the appeal of this growing asset class.

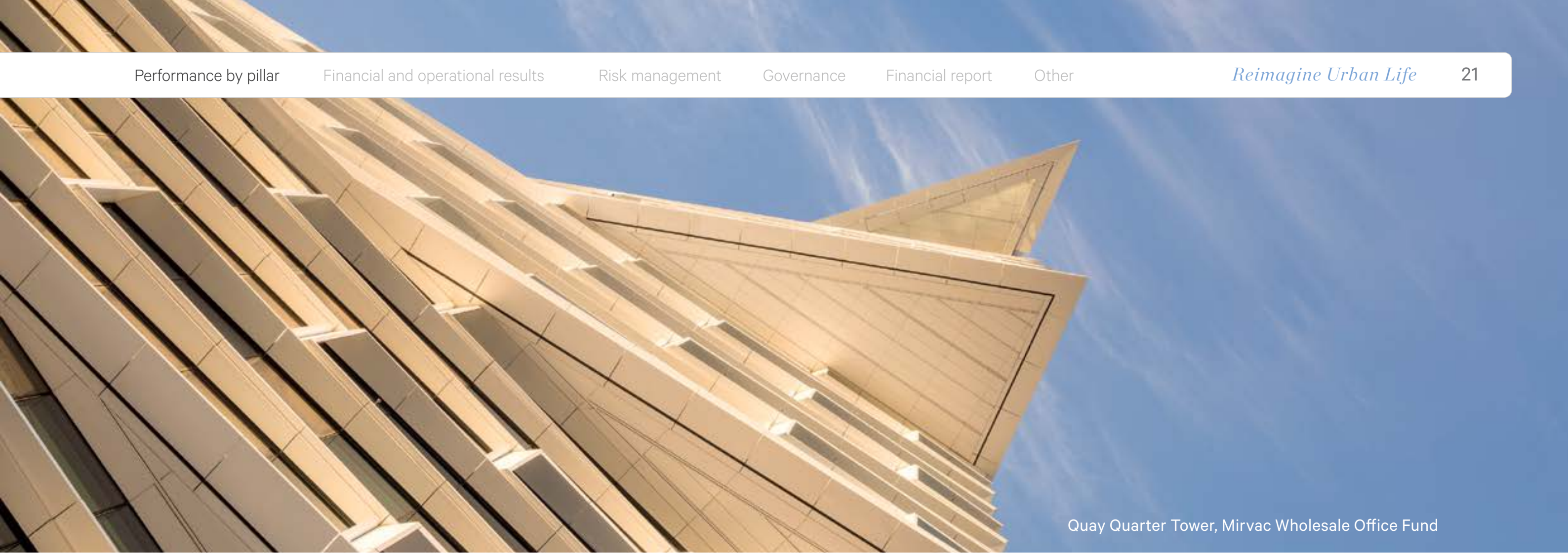
HOW WE MEASURE VALUE

	FY23	FY22
Investment		
Occupancy[2]	**96.9%**	97.3%
WALE[3]	**5.2 years**	5.6 years
WACR	**5.28%**	5.00%
NOI	**$633m**	$582m[4]



1. Excludes investment properties under construction and includes co-investments.
2. By area, excludes Build to Rent.
3. By income, excludes Build to Rent.
4. Restated to reflect Mirvac's new segment reporting structure, which commenced the financial year ended 30 June 2023.

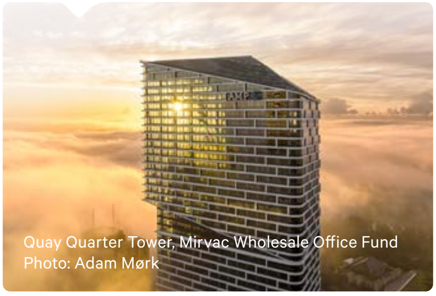
80 Ann Street, Brisbane



Quay Quarter Tower, Mirvac Wholesale Office Fund

Funds

> Unique alignment model
> Well-diversified platform
> Customer mindset



Quay Quarter Tower, Mirvac Wholesale Office Fund
Photo: Adam Mørk

Mirvac currently has approximately $17.1bn in third-party capital under management with domestic and international partners, which is split between separately managed accounts, clubs, co-mingled funds and joint ventures across Office, Industrial and Build to Rent. We are committed to taking a considered and collaborative approach to forming long-lasting relationships with our aligned investors and partners, and to continuously engaging with them to explore aligned investment opportunities, including through the delivery of our multi-sector development pipeline. Our fiduciary responsibility means that we act in the best interests of our investors, with a mindset of doing the right thing.

In FY23, the transition of MWOF onto our funds management platform helped to broaden our sources of capital and establish relationships with over 40 new investors. MWOF is outperforming the Australian Wholesale Office Fund benchmark over one-, two-, three- and five-year periods, and comprises modern, sustainable, Prime grade assets, which are well aligned to Mirvac's own balance sheet.

We also established two new managed investment vehicles during the financial year: the Build to Rent Venture, with well-capitalised and aligned cornerstone investors, including the Clean Energy Finance Corporation, and the Mirvac Industrial Venture, with the Australian Retirement Trust. These funds are expected to deliver solid returns on our co-invested capital, along with additional fee streams.

In addition to this, we secured a partnership with Japanese real estate company, Daibiru, a new, long-term capital partner, at our 7 Spencer Street development, enabling commencement of this next generation workplace development.

Expanding and building on our relationships with pension funds, sovereign wealth funds and other institutional real estate investors will remain a key focus, and will provide us with access to the capital required to execute our large-scale development pipeline. It will also allow us to generate new earnings streams and a higher return on invested capital for our securityholders.

In turn, we provide institutional capital with access to our asset creation and curation capability and our unique alignment model, underscored by our intention to retain an ownership interest in the assets we create. Our in-house design, construction, development, and asset management teams collaborate to deliver assets that are designed and capitalised to outperform over an asset's lifecycle. Our $7.3bn office portfolio, for example, has largely been created by Mirvac and continues to outperform the benchmark over one, three, five and 15 years.

As we continue to grow our funds management platform, we will look to expand our offering across a broader suite of asset classes and product types, with a strong focus on living sectors and industrial, utilising the depth of our asset creation, asset curation, and investment capabilities. This will allow us to deploy our capital effectively and accelerate our development pipeline, while delivering shared value and targeted returns for our investors and securityholders.

HOW WE MEASURE VALUE

	FY23	FY22
Funds		
Third-party capital under management	**$17.1bn**	$10.2bn
Asset and funds under management EBIT	**$20m**	$2m

For detailed information on our performance across all segments, see pages 32 to 37.

ASSET MANAGEMENT

We have approximately $26bn 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.

To drive value for our securityholders, we are focused on leveraging our scale and end-to-end capability to curate exceptional experiences for those who work in our office buildings and logistics assets, shop in our retail centres, or live in our build to rent apartments. We recognise that our assets are places for connection and social interaction, and we want to provide our tenants and customers with high-quality, sustainable, modern spaces that serve to make their experience of urban life better.

At the same time, we are mindful that the way we work, shop, live, and socialise is changing, and we continue to look at opportunities beyond bricks and mortar where we can curate digital experiences that enhance the physical one. Within Build to Rent, we have developed a consumer app (via our Consumer Platform) that supports our customers' engagement and allows residents at LIV Indigo and LIV Munro to book communal spaces and facilities, and interact directly with the team on building issues and their tenancy.

We are also focused on using data-driven insights to continue to generate positive outcomes for our tenants, customers, and our business. This can include anything from implementing systems that allow our tenants to manage their after-hours HVAC requirements or report on their energy usage, right through to leveraging data to help them to optimise their floor space. At Heritage Lanes in Brisbane, for example, the integrated building platform delivers information from millions of data points throughout the asset, allowing our tenants to manage their office space and meet their ESG targets.

People

PEOPLE, CULTURE AND SAFETY

By building a culture that is diverse and inclusive, performance oriented, and collaborative, we can continue to give Mirvac a competitive advantage, and inspire our people to deliver on our goals and urban strategy. We are proud of our culture, engagement, employment brand and employee value proposition, and have focused on maintaining and lifting these areas during the financial year.

In FY23, we were ranked number one in the world for gender equality for the second time in two years by Equileap, demonstrating our ongoing commitment to gender equality. We refreshed our Diversity and Inclusion strategy, which builds on the work we have done around gender diversity and flexibility, and expands our focus on LGBTQ+ and Women in Construction. And we continued our focus on mental health, along with sharpening our focus on major hazards and psychological health and safety.

We are pleased to see that our people feel that Mirvac is a great place to work, with 93 per cent of employees saying they were proud to work for Mirvac, 92 per cent happy to recommend Mirvac as a great place to work, and 95 per cent confident that Mirvac is committed to the safety of employees. Our overall engagement score in FY23 was 79 per cent, reflecting our continued focus on our culture and our people.


Willoughby, Sydney

PEOPLE AND CULTURE

Our people are at the heart of everything we do. We consider our team to be our greatest asset and our goal is to be the number one employer in the property sector, the place where people want to join, grow, and belong. We focus on the employee experience by prioritising the safety and wellbeing of our people and ensuring that we maintain an engaging and positive culture. Underpinning this is our continued focus on:

OUR VALUES

Our values of putting people first, a passion for quality and legacy, collaborating, being curious and bold, and how we work, continue to guide the decisions of our team and define the high standards of behaviour that we expect from our people. We assess the performance of our people against our values, and we recognise those who are role models of our values through our recognition program, Mirvac Stars.

DIVERSITY, INCLUSION AND BELONGING

Diversity and inclusion at Mirvac are about more than gender alone. We value the diversity of cultural backgrounds, ethnicities, caring responsibilities, gender identity and sexual orientation among our people, because it leads to better business outcomes and reflects the communities in which we operate. We are committed to providing equal hiring, development, and advancement opportunities, and strive to create an environment in which all employees feel safe, valued, included, and empowered to do their best work.

We celebrated equality and inclusiveness by supporting Sydney WorldPride and the Sydney Gay and Lesbian Mardi Gras in FY23. As well as hosting events for our people in each of our state head offices, we launched our first official LGBTQ+ working group, the Mirvac Pride Committee, consisting of LGBTQ+ colleagues and allies. The committee is sponsored by our Chief Digital Officer and is focused on understanding LGBTQ+ issues and developing initiatives that promote awareness.

We are also making significant inroads in our Women in Construction program. Through targeted efforts, women made up 32 per cent of new hires in construction in the past year, increasing their representation in this part of the business to 18 per cent, up from 15 per cent in FY22. The program also continues our focus on developing female leaders at Mirvac, with initiatives to help them acquire new skills, network with other senior leaders, and gain experience to advance their careers.

Our last employee engagement survey showed that one in two of our employees have a cultural identity other than Australian, highlighting the importance of harmony and belonging. In March this year, we celebrated Harmony Week with special lunch gatherings at each of our state offices. It was an opportunity for people to discuss and celebrate cultural diversity at Mirvac, and learning more about each other's heritage.

DEVELOPING OUR PEOPLE

Having the right people in the right roles is key to our success, and we are committed to nurturing our future leaders and strengthening our talent pipeline to create the best leaders, and the best asset creators and curators. Our goal is to equip our people with skills and experience across our integrated model to enable them to transition between our diverse asset classes.

In line with this, we facilitated our targeted development program, LEED (Leadership, Experience, Exposure, Development) in FY23. The program is aimed at enhancing leadership capability amongst our key talent to enable them to grow as adaptive leaders.

Changes to our organisational structure in FY23 created a number of new opportunities across the Group, and we were pleased that 88 per cent of these positions were filled by internal candidates. The calibre of internal applicants was a testament to the capability and depth of talent within Mirvac, and a demonstration of our talent management and succession planning in action. Our commitment to gender diversity helped us to ensure that the percentage of women in senior management roles remained above target.

Our workforce at a glance

HEADCOUNT

1,738

GENDER SPLIT

♀48:52♂

BOARD REPRESENTATION

♀38%
women

PAID PARENTAL LEAVE POLICY

20 weeks
for the primary carer

4 weeks
for the non-primary carer

WOMEN IN SENIOR MANAGEMENT

43%
women

RETENTION OF KEY TALENT

89%

QLD 176
♀43:57♂

WA 44
♀52:48♂

NSW 1,182
♀48:52♂

ACT 6
♀50:50♂

VIC 330
♀45:55♂

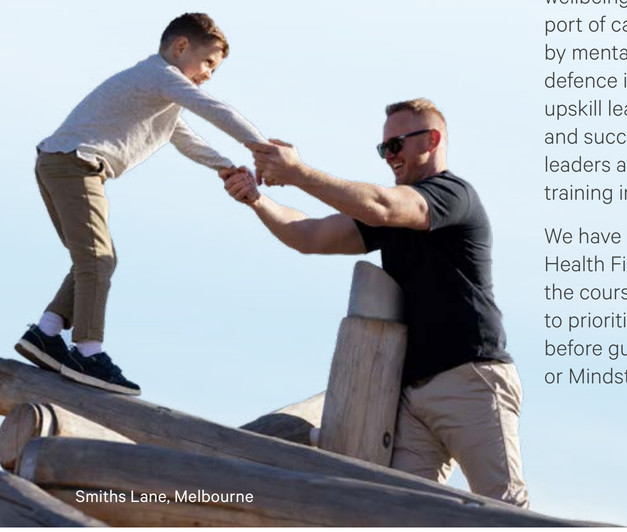
Employment by region & gender

People CONTINUED

SAFETY AND WELLBEING

Health, Safety and Environment (HSE) is core to Mirvac's business, and the safety and wellbeing of our people remain a top priority. As Mirvac embraces its new operating model, and as the environment in which we are operating becomes more complex, our approach to health and safety has continued to evolve.

During the financial year, we continued to move from a traditional physical injury prevention model towards one that prioritises the prevention of major unwanted events and the provision of holistic care for our team.


Smiths Lane, Melbourne

CONTINUED MENTAL HEALTH PSYCHOLOGICAL SAFETY SUPPORT

Supporting the mental health and wellbeing of our people is an important focus, and through FY23, we further embedded our wellbeing strategy by expanding our offering. Specifically, we continued our partnership with Sonder, which provides our employees and their families access to support from a network of trained safety, health, and wellbeing specialists all year round. Through premium mental health and wellbeing provider, Mindstar, we also began offering personalised support for employees who may be struggling with their mental health.

As well as providing general support to our people, we acknowledge there is a growing need to provide our people leaders with the necessary skills to care for themselves and others in the context of mental health and wellbeing. People leaders are usually the first port of call for employees who may be affected by mental health issues and are the first line of defence in managing psychological hazards. To upskill leaders, a pilot program was developed and successfully delivered in FY23, and people leaders across the business will receive this training in FY24.

We have an active network of over 60 Mental Health First Aiders in the business, and over the course of FY23, their approach has evolved to prioritise active listening and initial triaging, before guiding people to either Sonder or Mindstar.

ADDRESSING SAFETY AT EVERY STAGE OF OUR BUSINESS LIFECYCLE

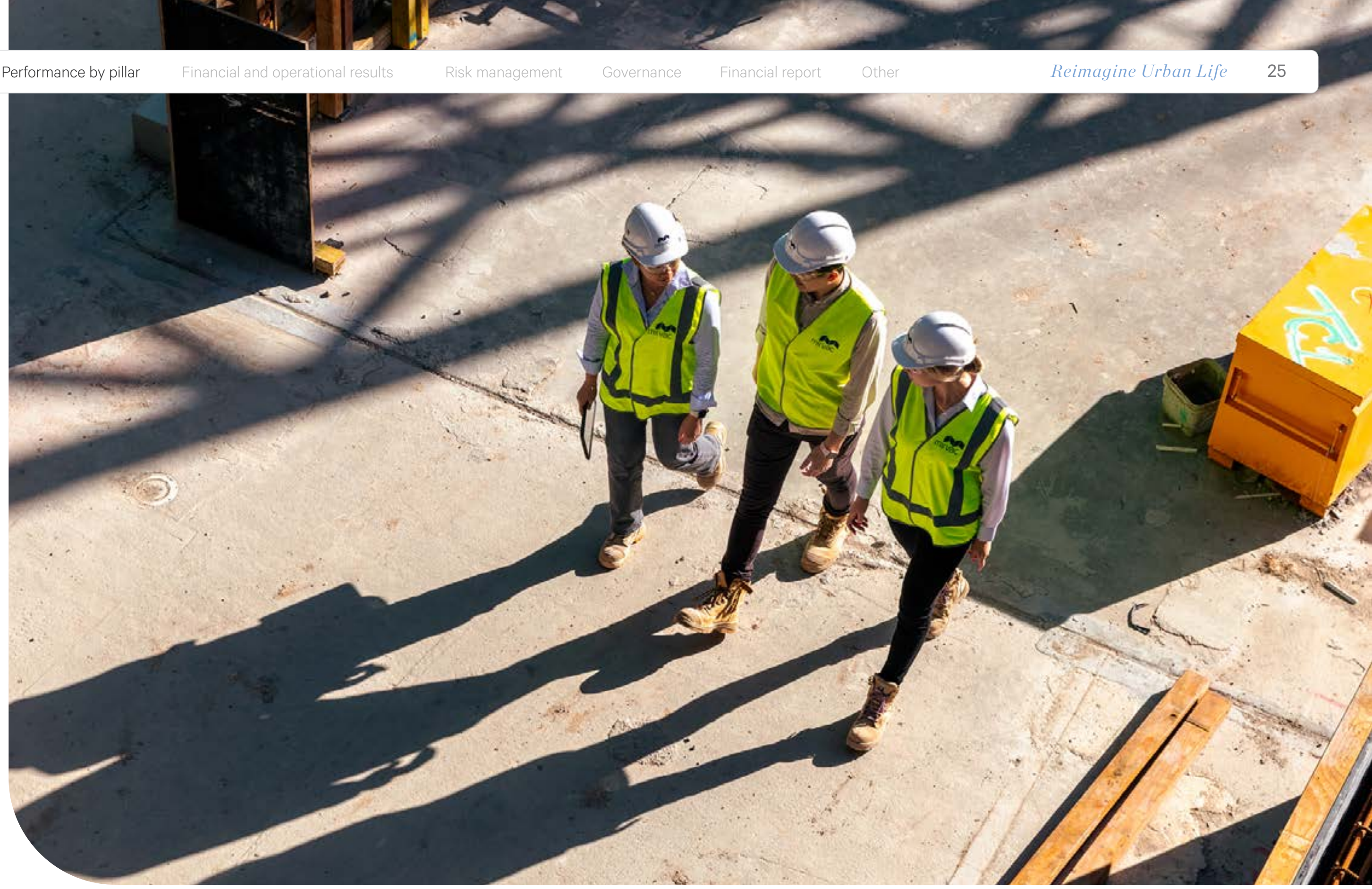
Our approach to safety continues to prioritise major hazards, particularly to prevent high-consequence incidents across our portfolio. Key to this is a need for curiosity and for leaders to adopt a 'chronic unease' mindset, encouraging people to seek out any shortcomings in our existing approach, even when things are going well. Approaching safety in this way continues to strengthen our ability to safeguard both our operational and social licences to operate. In FY23, we delivered major hazard review sessions across our Commercial & Mixed-Use projects, with an emphasis on identifying hazards that would have the highest consequences for Mirvac, and then workshopping appropriate solutions to prevent such events.

Looking ahead, we will continue to enhance our approach to both psychological health and safety and major hazards, with ongoing assessment of our psychosocial risks and a reworking of our overarching HSE Management System to better align with the management and assurance of our major hazard exposures. We are also adapting our approach to measuring health and safety, and in FY24, we will be introducing a new metric that emphasises learning, enables a psychologically safe reporting culture, and importantly, allows us to measure the resilience of our controls and detect weakness before a serious accident occurs.

FY23 HSE STATISTICS

INDICATOR	HOURS WORKED	LTIFR	TIMELY REPORTING	WORKERS' COMPENSATION CLAIM COUNT	TRAINING	FATALITIES	CIFR
FY21	6.8m	3.24	22hrs	10	96.0%	0	1.50
FY22	6.8m	1.18	25hrs	6	97.2%	0	0.74
FY23	8.8m	1.71 ✓	31hrs	14	99.6%	0 ✓	0.11
Target	N/A	<2	<24hrs	N/A	100%	0	<1.5

✓ Limited assurance has been provided by PwC and data sets that have been assured are marked with a ✓. Our HSE management systems within construction continued to be certified to ISO14001, OHSAS18001, and AS/NZS 4801. For further information visit mirvac.com/sustainability.



INNOVATION

Our innovation program, Hatch by Mirvac, has helped to create a strong innovation culture and capability at Mirvac since it was established in 2014. It has underpinned our value to be curious and bold, and contributed to an employment brand that is attractive to the next generation of employees seeking to work for innovative organisations. In FY23, the Hatch by Mirvac team continued to partner across the business to deliver on our strategy in new ways, which included:

BE: BY MIRVAC

Reimaging the living experience for Australians with a disability continued to be a key focus for Hatch by Mirvac during the financial year. As part of a pilot, and partnering with our Residential team, we are constructing six leading-edge Specialist Disability Accommodation (SDA) dwellings at three of our masterplanned communities in Victoria. By taking our asset creation expertise and applying this to new and different products, we are creating more inclusive communities where everyone can live comfortable, autonomous, and enriching lives.

HOW WE MEASURE VALUE

	FY23	FY22
Employee engagement	**79%**	80%
Talent retention	**89%**	96%
LTIFR, CIFR	**1.71, 0.11**	1.18, 0.74
% of women in senior management roles	**43%**	44%

GENERATIVE AI

Our Hatch by Mirvac team led an innovation project with the largest cohort of interns to date. Over 35 interns were trained on our innovation methodology and conducted research to identify applications of Generative AI across the organisation. These insights will form part of a broader piece of work being undertaken by our Digital team to develop a pipeline of Generative AI applications at Mirvac.

HATCH22

Key to ensuring innovation is embedded in our culture at Mirvac is equipping all employees with the knowledge and tools to drive innovation in all aspects of their work. Hatch by Mirvac aims to provide our award-winning innovation training to all employees, from senior leaders to interns. In the past financial year, we made significant strides to build innovation capability across our organisation, delivering training to more than 100 employees.

We designed and delivered our Hatch22 program, which upskilled employees on how to apply our award-winning innovation methodology to our projects. The program was designed to cater to all employees – whether they were new to innovation at Mirvac or wanted to refresh their innovation knowledge and skills. We also created innovation culture training modules to support leaders to develop the right mindset to operate in a challenging operating environment.

We are proud to have consistently placed in the top 10 in the property and construction category of the AFR Boss Most Innovative Companies for the past four years. The focus of Hatch by Mirvac for FY24 is to build on our innovation capability to help us navigate through the next phase of Mirvac's journey.

Partners

CUSTOMERS AND STAKEHOLDERS

In order to *Reimagine Urban Life*, we need to ensure that we are taking our stakeholders' perspectives into account. This includes our customers, the communities in which we operate, as well as the governments that regulate those communities.

We recognise that the environment we are operating in is becoming more complex, and that the requirements of those who lease our assets, rent in our build to rent communities, or purchase one of our homes are constantly changing. We are committed to continuously understanding and leveraging the insights we collect through extensive customer research, so that we can continue to deliver exceptional products, services, and experiences. We will also continue to focus on being open and transparent with our key stakeholders to maintain our reputation as a trusted partner.

ENGAGING WITH OUR CUSTOMERS

We have a wide and diverse range of customers across our business, from our office, retail, and industrial tenants to those in our build to rent and residential communities. We know that building strong relationships and finding new and innovative ways to connect with them is vital for our ongoing success.

In FY23, we established a new customer and brand function that brings together the extensive work we do across the business to engage and inspire our customers. By taking an enterprise-wide view, we can leverage our expertise to unlock opportunities for our customers across all sectors, and design and deliver experiences that are both consistent and uniquely Mirvac.

A key part of our approach is to ensure our customers receive the highest level of care through every part of their journey with us – from when they sign a new lease with us, step into one of our residential sales display suites, or connect with us online. We know that if we engage with them in the right way, at every step of the way, we can foster strong customer loyalty and unlock opportunities into the future.

It is also important that we know our customers intimately – their needs, motivations, and aspirations – so that we can understand their pain points and deliver solutions that make their experience with us easier. We look to connect a wide range of data sources to drive continuous improvements, deliver more personalised experiences at scale, and create new products, services and revenue streams.

MEASURING OUR CUSTOMER IMPACT

Across the business, we use Net Promoter Score (NPS) to measure customer experience at key moments of the customer journey and periodically for ongoing customer relationships. In FY23, we largely maintained NPS across our asset classes, with feedback from our tenants and partners continuing to shape the service we provide.


Topping out at Isle, Waterfront Sky in Brisbane

HOW WE MEASURE VALUE

	FY23	FY22
Net promoter score (NPS)		
Office tenant	**+39**	+40
Industrial tenant	**+57**	N/A
Retail consumer	**+52**	+56
Build to rent resident	**+27**	+24
Residential	**+60**	+60
Customer satisfaction		
Residential	**8.9/10**	8.9/10

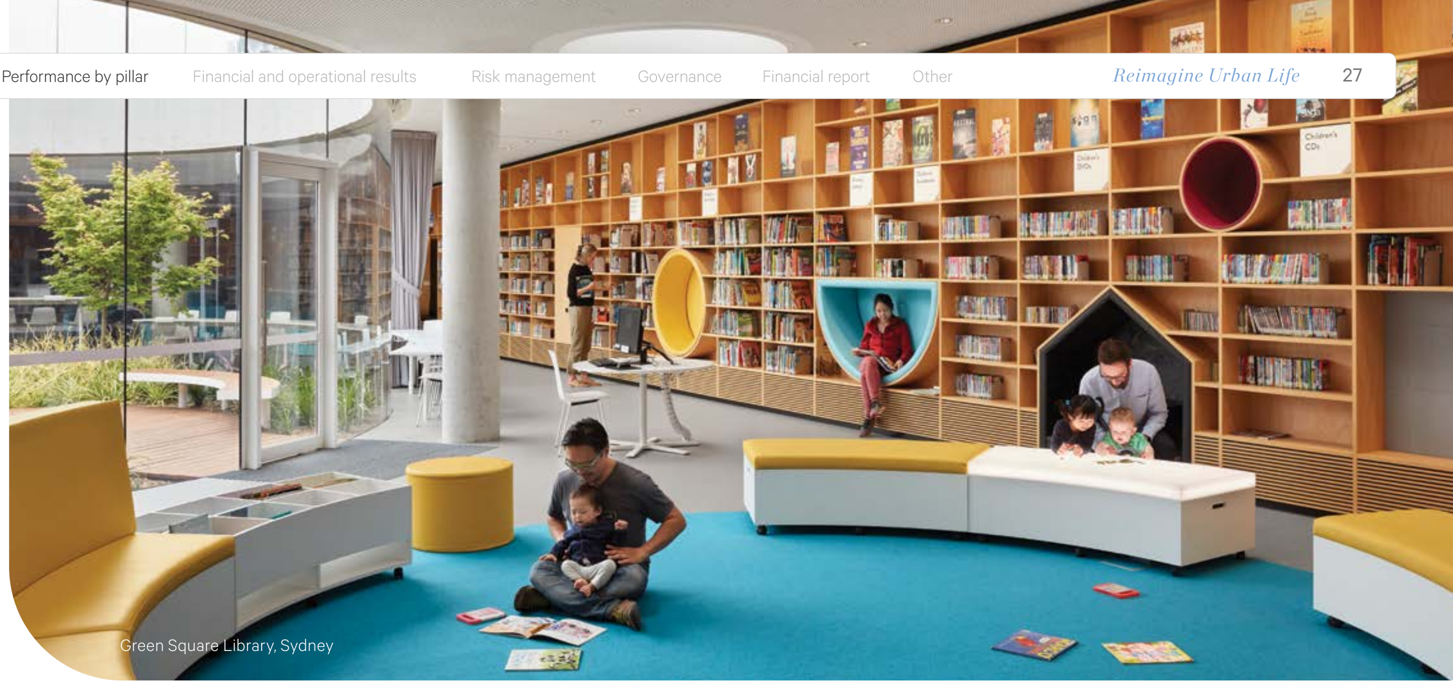
Within our Residential business, we survey our customers at key milestones along their journey with us, measuring their satisfaction from their initial enquiry all the way through to settlement and aftersales service. We collaborate all customer feedback across our teams to enable a listening culture for continuous improvement.

ENGAGING WITH OUR STAKEHOLDERS

We recognise the importance of maintaining strong, healthy relationships with our stakeholders and the communities in which we operate, and we strive to understand their diverse and changing needs in order to develop communities with an enduring legacy. This is because we understand that mutually beneficial relationships help us look at complex problems from different angles and deliver maximum value where it matters most.

We have an integrated stakeholder engagement framework that sets out the vision, principles and tools that guide our interactions with our stakeholders. Its purpose is to:

- set a consistent One Mirvac approach, with key principles for engagement across all our projects
- encourage strong, healthy relationships with our stakeholders and the communities in which we operate
- allows us to actively monitor issues and maximise opportunities
- facilitate shared learnings from our previous experiences
- help us to develop the capability of our people to create a stakeholder-centric culture.


Green Square Library, Sydney

In FY23, we worked on rolling out the framework across all asset classes within the business to ensure we maintain a competitive advantage in this space. We are committed to actively measuring and reviewing our engagement across each project into the future, so that we can continuously learn, improve upon our approach, and deliver even better project outcomes.

Our approach to stakeholder engagement reflects our diverse business and encourages dialogue with:

> governments, agencies, and regulators at all levels
> our securityholders and the investment community
> local and national media outlets
> residents, tenants, and customers
> community groups, community partners, and the local communities in which we operate or have plans to do business with
> capital and development partners
> industry
> our employees.

GOVERNMENT

We pride ourselves on having high engagement with all levels of government and coordinating this engagement across the organisation. We maintain a bipartisan approach and actively engage about policy decisions in general and those that affect our properties and projects. We do not make donations to politicians or political parties at any level of government and we do not pay success fees for planning advice of any kind.

In FY23, the Board approved an updated Government Relations Policy that aims to protect and enhance Mirvac's brand and corporate reputation, satisfy regulatory requirements, deliver on our ESG commitments, and minimise adverse stakeholder outcomes.

We also continued to coordinate our state-based and federal government engagement through State Government Relations Steering Committees, which includes representatives from all parts of Mirvac's business. All engagement with government is undertaken in accordance with our Government Relations Policy.

INDUSTRY

We are a member of a number of industry groups and participate in advocacy on issues affecting our industry, as well as those that may affect our properties. We have representatives on a number of national and divisional committees, join briefings and conferences, and attend professional development courses.

In FY23, we focused on playing a leading role with a range of associations that share our vision to make our cities among the best in the world, tackling issues that affect livability. We also continued to embed a more coordinated approach to committees.

ENGAGING WITH OUR THIRD-PARTY CAPITAL PARTNERS

With Mirvac now managing more capital for its partners than on its own balance sheet, the relationships we build with our capital partners are key to our success. We apply a genuine fiduciary mindset, and put our partners' financial wellbeing and trust at the forefront of our decision making.

We want to build and nurture long-term relationships that are aligned to our business, underpinned by a commitment to transparency and high levels of governance to minimise conflicts of interest.

In FY23, we welcomed over 40 new investors to the Group through MWOF. Together, we will look to further position MWOF as the pre-eminent office fund in Australia, leveraging Mirvac's leading management platform and asset creation capability.

Our new capital partnerships through MIV and our BTR Venture will also assist us in furthering our reach into the industrial and build to rent sectors and building closer relationships with aligned and like-minded investors.

ENGAGING WITH OUR INVESTORS AND SECURITYHOLDERS

Since becoming publicly listed in 1999, Mirvac has earned a reputation as a business with secure, highly visible cash flows, and one that delivers attractive returns to investors.

We have an award-winning, best practice Investor Relations program, which facilitates effective two-way communication between investors and the Board and management team and ensures transparent disclosure is maintained. More information can be found in our Continuous Disclosure and External Communication Policy on our website.

Approximately 90 per cent of issued capital is held by institutional investors. We meet regularly with these investors through meetings, open briefings, site tours, conferences, and roadshows, both domestically and offshore. Throughout FY23, we held over 450 investor engagements across both existing and potential institutional investors. We also actively engage with all investors through our Annual General Meetings held in November with virtual and in person attendance facilitated.

In addition to a proven track record over more than 50 years, and a reputation for quality, our diversified exposure and integrated model, with in-house design and construction, is a key point of difference for our investors, particularly in the current climate. Alongside our sound financial performance, capital management, and transparency, investors are attracted to our genuine leadership and commitment to ESG. The strength of the leadership team and culture, from the Board down, is also a contributing factor in our ability to attract institutional capital to our business.

Planet

SUSTAINABILITY

As a leading diversified property company, we aim to be a force for good by making choices, developing products, and working with our communities with sustainability in mind.

Our strategy, *This Changes Everything*, is geared towards making a positive impact. It's designed to manage environmental, social, and governance (ESG) risks and opportunities, while delivering positive outcomes for our people, the planet, our customers and partners, and the communities in which we operate.

We focus on what is most important to us and our stakeholders, working to instil a culture of ethical decision making to support one of our key values, which is to do the right thing. Our employees are a key factor in our sustainability success, and they recognise the importance of our authentic approach, which contributes to high levels of engagement, discretionary effort, and talent retention across the business.

FY23 HIGHLIGHTS

ENVIRONMENTAL

- Set Scope 3 emissions target to be net positive by 2030[1], and released plan
- Released fifth TCFD report and climate-related risks and opportunities
- Average NABERS Star ratings: 5.2 Energy and 4.8 Water
- Completed our first Green Star Home at Waverley Park, Victoria
- Joined the Science-Based Targets initiative
- Achieved net positive in Scope 1 and 2 emissions for the second year
- Recycling waste: 95% construction and 68% operations

SOCIAL

- Set goal to invest at least $50m in Creating a Strong Sense of Belonging by 2025
- Ranked #1 most gender equitable company in the world by Equileap
- Investment in Reconciliation education and support of Indigenous artists
- $13.9m in verified community investment; $9.2m spend on procurement with social and Indigenous businesses
- Recognised by Good Company as one of the best workplaces to give back for the second year in a row
- Held our biggest employee volunteering event to date
- Established community partnerships to build capacity in social enterprises and support LGBTQ+ young people in property and construction

GOVERNANCE

- Released fourth Modern Slavery Statement
- First business in Australia to receive the Equifax 5 Gold Star iCIRT rating, demonstrating our capability to deliver trustworthy buildings
- Recognised as a top Stewardship Leader by Stewardship Asia
- Released Sustainable Finance Framework, with a third of our total debt facilities now certified as green loans
- Top ESG index ratings: AAA (MSCI), 5 Star (UN principles for Responsible Investment), Negligible Risk (Sustainalytics)
- Voluntarily disclosed through the Clean Energy Regulator Corporate Emissions Reductions Transparency pilot
- Applied to be certified as a B-Corp force for good company

1. The target reflects Mirvac's current intention. Mirvac reserves the right to change this target in the future.

Smiths Lane, Melbourne

In FY23, Mirvac launched the third iteration of its ESG strategy, which is underpinned by these focus areas:

> **Environment:** Carbon emissions, Waste, and Water
> **Social:** Our people, Connection, and Inclusion
> **Governance:** Procurement, Finance & investment, and Capability & disclosures.

We align our targets with these United Nations Sustainable Development Goals:

OUR PERFORMANCE

ENVIRONMENT

We have set ambitious targets in carbon, waste and water and have published transparent plans with clear timelines to outline the steps we intend to take towards achieving these goals.

Scope 3 emissions

The release of our latest environmental plan, Net Positive in Carbon by 2030, details our target for scope 3 carbon emissions[1]. These are the emissions we cannot directly control but can influence – things like embodied carbon in the materials we buy, emissions from waste disposal, and the energy used by our tenants and residential customers. Our focus is on using our internal design and construction procurement capabilities and in-house sustainability expertise, in partnership with our suppliers and customers, to reduce emissions as far as possible. At this stage, we intend to invest in high-quality, nature-based, Australian offsets for remaining emissions from FY30. We are undertaking detailed transition planning across Mirvac, and will then confirm or adjust our target and approach.

Green certifications

We already have one of Australia's greenest office portfolios, with 17 office assets rated 5 Star NABERS Energy or higher; our operating assets are supplied with 100 per cent renewable electricity, progressively electrifying our assets; and we have high waste diversion rates across construction and operations.

17 OFFICE ASSETS RATED ★★★★★

5+ Star

NABERS Energy

In FY23, we constructed our first Green Star Home at Waverley Park in Victoria. The home raises the bar for environmental and social sustainability as part of Mirvac's commitment to create outstanding living environments that leave a positive legacy.

ENERGY, GHG, WATER & WASTE[1]

Emissions tCO2e	FY13	FY21	FY22	FY23	FY23 Source data
Scope 1					
Natural Gas	2,697	4,430	5,028	**7,897**	153,254 GJ
Refrigerants	1,383	1,083	1,311	**415**	526 kg
Diesel	2,333	701	677	**1,208**	445,827 L
Petrol	646	97	87	**83**	35,779 L
LPG	7	31	21	**29**	18,591 L
Total scope 1	7,066	6,342	7,125	**9,632**	
Scope 2 (market-based)[2]					
Electricity		12,660	—	**—**	101,196,684 kWh
Total scope 2		12,660	—	**—**	
Total scope 1 + 2		19,002	7,125	**9,632**	
Voluntary carbon offsets			7,225	**9,732**	
Net scope 1 + 2[3]		19,002	(100)	**(100)**	
Renewable electricity %		84%	100%	**100%**	
Potable water usage					
Retail	492,216	406,320	337,166	**322,291**	
Office & Industrial	349,597	295,338	291,049	**557,800**	
Build to rent			22,609	**42,815**	
Total (kL)	841,813	701,658	650,824	**922,906**	
Total waste					
Construction	35,565	8,780	7,667	**11,819**	
Investment	12,833	20,230	17,647	**18,343**	
Total (T)	48,398	29,010	25,314	**30,162**	
Construction			95% Recycled	**5% Landfill**	
Investment			68% Recycled	**32% Landfill**	

1. This report includes the addition of five MWOF assets resulting in an increase to Scope 1 emissions, electricity and water consumed.
2. We began reporting market-based electricity in FY19.
3. This means we offset 100 more tonnes of Scope 1 and Scope 2 carbon emissions than we emit, meeting our Net Positive Carbon by 2030 target.

Note: some columns may not add due to rounding.

The house is a fully electric home and the most substantial GBCA certified Green Star Home built to date. The home achieved a 7.8 Star NatHERS rating and has a 10kW solar panel system, making it one of our highest performing homes in terms of energy bills and renewable energy consumption.

Waste and materials

In 2020, we set out a plan to reach our target to send zero waste to landfill by 2030, Planet Positive – Waste and Materials. We have already made good progress, recycling 95 per cent of construction waste and 68 per cent of operational waste and making good use of the circular economy model. The principles of this model are fundamental to eliminating waste, reducing costs, and increasing resilience within our business. One of our actions has been to partner with social enterprises to repurpose, recycle and reuse items from our developments.

A standout circularity project in the financial year was at Harbourside Shopping Centre in Sydney as we undertook vacant possession. Together with Mates on The Move, a work program run by Prisoners Aid NSW, we removed over 4,000 unwanted items weighing 22 tonnes, such as furniture and kitchen equipment valued at more than $320,000, which were delivered to local charities and businesses. In addition, our in-house team conducted waste audits with social enterprise partners at a number of retail centres and office assets to understand landfill waste composition and feedback recycling opportunities for customers.

We are also on track with our ambition to halve development waste. This year, we worked in partnership with Boral on a trial to change the procurement and management of concrete at our Green Square project in Sydney. By connecting the supply and take-back of materials, waste concrete reduced by 50 per cent, with 99.6 per cent of concrete waste recycled back into construction materials.

1. The target reflects Mirvac's current intention. Mirvac reserves the right to change this target in the future.

Planet CONTINUED

Water

Our target to reach net positive water by 2030 is tracking well. Our plan focuses on designing to reduce consumption, reusing what we can, and educating and innovating across our portfolio, from masterplanned communities, to retail centres, industrial sites and office and build to rent assets. In FY23, we partnered with Sydney Water and their WaterFix Commercial program to audit water use at three retail centres, Greenwood Plaza, Birkenhead Point Brand Outlet, and Broadway in Sydney, and prepared a plan to reach a 4.5 Star average NABERS Water rating across our office portfolio by 2030.

Nature

Protecting biodiversity is crucial for combating climate change, and we are mindful of emerging requirements to understand and disclose our impacts on nature as part of the Taskforce for Nature-related Financial Disclosures. A priority for FY24 is to continue the process of gathering data to assess our current impacts and opportunities, and map out our strategic approach, building on the lessons we have learned at a range of developments, like our work to preserve diverse natural habitats at Gainsborough Greens in Queensland.

After 15 years of development, Mirvac has successfully completed construction on this 2,000-home masterplanned community, which has played a vital role in transforming this growth corridor. With 173 hectares of conservation area and koala habitat, Gainsborough Greens is now home to over 5,000 residents. The community boasts 32 hectares of parklands, 33 hectares of wetlands, and over 13 kilometres of walking and cycle trails, providing a thriving and sustainable living environment.

Gainsborough Greens, Queensland

SOCIAL

Our purpose to reimagine urban life inspires us to continually strive to do what's right, and to be a force for good in our communities. We know the choices we make with our buying power and when we invest in social infrastructure amenity can make a difference in helping to create a sense of community belonging. That's why we've made community investment and social procurement integral parts of our strategy, allowing us to identify new partnerships and approaches for attracting customers and driving positive outcomes.

Community partnerships

We believe that belonging and inclusion are essential drivers of success for our business. We have progressed our community partnerships, which build capacity and scale our social impact with social and Indigenous suppliers, PRIDE, and First Nations Australians.

One such initiative is our supplier development program in collaboration with Social Traders. We are sponsoring four high-potential social enterprises for 12 months to address their scaling challenges. By assisting these businesses in identifying and overcoming capacity obstacles, we aim to enhance their readiness to collaborate with large organisations like Mirvac, and expand the pool of social procurement suppliers.

Additionally, we are proud sponsors of three scholars through The Pinnacle Foundation, which empowers young LGBTQ+ Australians to overcome identity-related challenges and fulfill their potential. Our focus for these scholars is in our construction business, to help build diversity and a sense of belonging.

Community investment

When we invest in social infrastructure and amenity upfront in the development process, we help to bring the community together and drive preference for our products. Incorporating facilities like libraries, schools, parks, and cafes, and holding events to build community relationships, help to make retail centres, office assets, and residential communities better places to live, work and shop. We measure the impacts of these activities through community investment spend, which this year was $13.9m, bringing our total since FY18 to $59.2m.

Our buying power

We have made excellent progress towards our goal to direct $100m to the social sector by 2030, with $9.2m directed to Indigenous businesses, social enterprises, B-Corps, and charities in FY23, with a total of $51.1m since FY18.

Volunteering

We are proud to provide unlimited, fully paid volunteer leave to all employees, and we also provide matched funding for employee donations, which are activated during times of crisis. In FY23, this included raising funds for the Australian Red Cross to support those affected by the earthquake which impacted Turkiye and Syria in February 2023.

This year, our National Community Day was our biggest ever, with nearly 900 volunteers taking part in 48 activities across the country, equalling 6,650+ volunteer hours and over $550,000 in community investment.

We were again acknowledged by Good Company as one of the best workplaces to give back, for the second year in a row, and were also named as one of Australia's most generous companies in the fourth annual Australian Financial Review Corporate Philanthropy 50.

MIRVAC'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

This year we release our fifth climate resilience report, which details the ways in which Mirvac is addressing climate-related risks and opportunities to date, in line with the requirements set out by the Taskforce for Climate-related Financial Disclosures.

This report provides an update on our progress, our plans, as well as an outline of the physical and transition risks and opportunities we face.

A highlight this year is the work we've undertaken on establishing 2050 climate scenarios, which help prepare us for success under any temperature changes.

The full report can be downloaded here: www.mirvac.com/sustainability

Reconciliation

We believe we all have a role to play in creating a more just and reconciled Australia. For us, this means we can develop properties respectfully and create spaces for dialogue that build cultural understanding and inclusion for First Nations People. We are focused on helping facilitate education and knowledge sharing on the Voice to Parliament referendum, so our employees and communities can make an informed choice.

GOVERNANCE

We understand our crucial role in creating positive impacts through the choices we make. From preferencing sustainable materials, to working with ethical partners, we work to make choices that align with our value to do the right thing. These efforts are monitored regularly by senior executive and Board oversight groups to ensure we deliver on our ESG promises. Accountability for performance against our targets is shared across the company, and forms part of every employee's remuneration.

Trust in construction

During the financial year, Mirvac Construction became the first business in Australia to be awarded the highest possible 5 Gold Star iCIRT rating, issued by regulated ratings agency Equifax, a global data, analytics and technology company. The rating tool is one of several pillars of reform introduced in NSW in recent years, and is intended to raise building standards and consumer confidence in built form within the state. Mirvac achieved the prestigious 5 Gold Star rating following a rigorous assessment process.

Green finance

In FY23, we launched our Sustainable Finance Framework, which expands our sustainability philosophy into raising finance. The framework sets out how we issue and manage sustainable finance instruments, with a commitment to financing or refinancing eligible projects and assets, or by incentivising improved environmental and social outcomes.

Modern slavery

In line with the Modern Slavery Act 2018, we released our fourth Modern Slavery statement, which provides insight into our modern slavery risks across our operations and supply chain, and details our actions in response. This financial year, we have brought the timing of the release of our report forward to better align with integrated annual reporting. We have looked deeper into cleaning, landscape labour, and stone. And we have partnered with Commonwealth Bank to achieve certification under the Cleaning Accountability Framework (CAF) at South Eveleigh, also serving as our pilot for a CAF precinct and asset-based certification approach.

ESG index ratings and recognition

We continue to have leading ESG ratings, including the top rating of 5 stars with the UN Principles for Responsible Investment. Some of the features of our approach that resulted in our rating included a responsible investment policy and associated employee training, climate scenario analyses, percentage of real estate assets with external certification, disclosure of political influence activities, third party assurance, and internal audit.

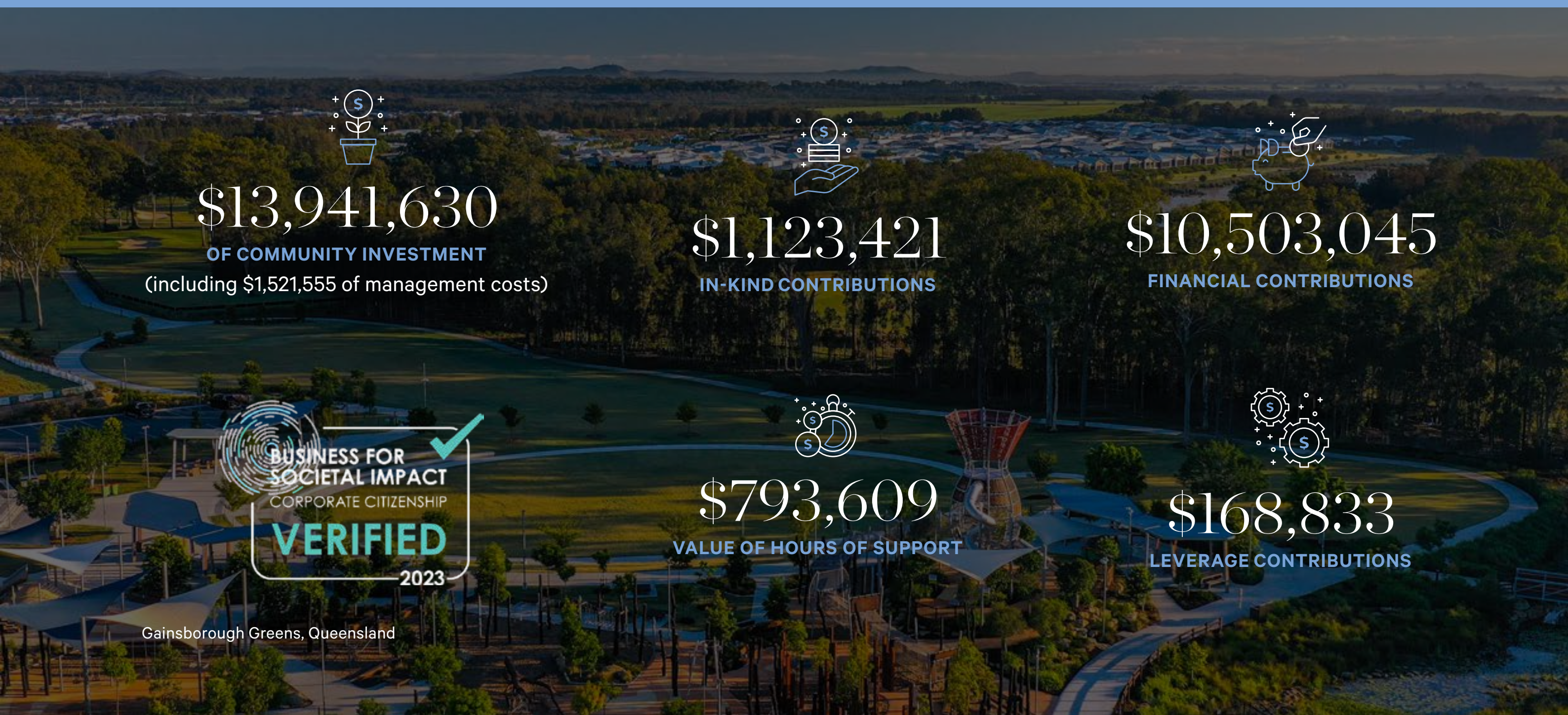
We also achieved a AAA rating from MSCI and were included in Sustainalytics' newly released 2023 Top-Rated ESG Companies list. This means that we are globally recognised as one of the best performing ESG companies rated by Sustainalytics. Our leading ESG performance was further showcased at the inaugural Stewardship Asia Steward Leadership 25 Awards for 2022, with Mirvac named as a recipient.

HOW WE MEASURE VALUE

	FY23	FY22
Emissions performance	**Net positive carbon (Scope 1 and 2)**	Net positive carbon (Scope 1 and 2)
Water[1]	**922,906L**	650,824L
Waste diverted		
Construction	**95%**	94%
Operational	**68%**	68%
MSCI and Sustainalytics ratings	**AAA, Negligible risk**	AAA, Negligible risk
Social procurement spend[2]	**$9.2m**	$14m
Community investment delivered	**$13.9m**	$9.6m

1. Total potable water usage for our investment portfolio. The increase in FY23 largely due to the addition of the MWOF portfolio and Heritage Lanes, 80 Ann Street, Brisbane during the financial year.
2. Social procurement spend and community investment figures may fluctuate in line with development pipeline and timing of spend.

FY23 ENRICHING COMMUNITIES



Gainsborough Greens, Queensland

FY23 financial and operational results

Mirvac continued to deliver on a number of key strategic objectives in FY23, despite a challenging operating environment, which included high inflation, further interest rate increases, labour shortages, increased material costs, and limited transaction activity. Against this backdrop, our high-quality asset creation capability, leading integrated platform, and reputation as a trusted manager ensured we remained resilient. Our operating profit of $580m translated into earnings of 14.7 cents per stapled security (cpss), which was in line with our revised market guidance.

Key drivers of our operational result included:

> growth in Investment, led by development completions at Heritage Lanes, 80 Ann Street, Brisbane and Locomotive Workshop, Sydney; our investment in the Mirvac Wholesale Office Fund (MWOF); and improved collection of COVID-19 arrears. This was partly offset by the impact of asset disposals across FY22 and FY23

> notable contributions to Development EBIT in the Commercial & Mixed-Use business, following the sale of Waterloo Road, Macquarie Park in 1H23, the sell down of Switchyards, Sydney to MIV, and the sell down of a 50 per cent interest in 7 Spencer Street, Melbourne in 2H23

> the establishment of the Mirvac Build to Rent Venture with aligned capital partners, seeded by our operational assets, LIV Indigo, Sydney and LIV Munro, Melbourne, as well as our build to rent pipeline assets, LIV Anura, Brisbane, and LIV Aston and LIV Albert Fields, Melbourne. The Venture has a medium-term growth target of 5,000 units, with further acquisitions being explored

> 2,298 residential lot settlements, which slightly exceeded our revised market guidance.

We also made significant progress to grow our Funds business, which will help the Group execute its development pipeline. Key achievements included onboarding MWOF, establishing the Mirvac Industrial Venture (MIV) with ART, and establishing the Mirvac Built to Rent Venture with key cornerstone investors, including the Clean Energy Finance Corporation. These transactions provide us with the opportunity for future growth with aligned capital partners.

To support the execution of our strategic initiatives, we redefined our operating model across three key segments - Investment, Funds, and Development. This structure ensures that the business is well placed to capitalise on opportunities as they arise, facilitates improved governance, and enables us to maintain independence between our balance sheet investments and third-party capital mandates.

Statutory loss for the financial year was ($165m), driven by a marked shift in investment property valuations, higher net financing costs, and a number of one-off transaction costs relating to the onboarding of MWOF and the establishment of two new ventures.

	FY23 $m	FY22 $m	Movement $m
Investment EBIT	**619**	568[1]	51
Funds EBIT	**20**	2	18
Development EBIT	**214**	285[1]	(71)
Segment EBIT[2]	**853**	855	(2)
Unallocated overheads	**(86)**	(82)	(4)
Group Operating EBIT	**767**	773	(6)
Operating profit after tax	**580**	596	(16)
Development revaluation (loss)/gain[3]	**(42)**	70	(112)
Investment property revaluation	**(528)**	305	(833)
Other non-operating items	**(175)**	(65)	(110)
Statutory (loss)/profit after tax	**(165)**	906	(1,071)

Key performance metrics			
EPS (cpss)	**14.7**	15.1	(0.4)
DPS (cpss)	**10.5**	10.2	0.3
Net tangible Assets ($ per stapled secuirty)	**2.64**	2.79	(0.15)

1. Restated to reflect Mirvac's new segment reporting structure, which commenced the financial year ended 30 June 2023.
2. Includes share of net operating profit of joint ventures and associates.
3. Relates to the fair value movement on investment properties under construction.

GROUP OUTLOOK[1]

While high inflation and interest rates continue to place pressure on our operating environment, our integrated model ensures we are well positioned to capture synergies and drive operational efficiencies across the business, allowing us to deliver long-term growth for securityholders.

Attracting third-party capital with aligned interests remains a strategic focus for the Group, and this is well supported by our continued commitment to deliver our Development pipeline. Additionally, significant progress has been made on our non-core asset sales program, which will extend into FY24 to optimise capital allocation across the business.

Subject to no material changes in conditions, the Group is targeting operating earnings in FY24 of 14.0 to 14.3cpss and distributions of 10.5cpss.

CASH FLOW

The Group's net operating cash outflow in FY23 was ($57m), down $952m on FY22. This was driven by a lower Residential cashflow due to reduced settlement revenue and an increase in construction spend on apartment projects, including Nine at Willoughby, Green Square, and The Langlee in Sydney, Prince & Parade, 699 Park Street, in Melbourne, and Isle at Waterfront Newstead in Brisbane. Development spend also increased in our Commercial & Mixed-Use business due to progress at 55 Pitt Street and Aspect South at Kemps Creek in Sydney. This was partially offset by the sell down of development projects to third parties, which comprised 34 Waterloo Road and Switchyard Industrial Estate in Sydney, and 7 Spencer Street in Melbourne.

However, this was lower than in FY22, which included final proceeds from Heritage Lanes, 80 Ann St in Brisbane and Locomotive Workshop in Sydney. Operating cash outflow was also negatively impacted by higher borrowing costs during the financial year.

Net investing outflow in FY23 was ($322m), an improvement of $114m on the prior year. Investing cashflow in FY23 was comprised of proceeds from the sale of 189 Grey Street, Brisbane, Allendale Square, Perth, and Stanhope Village, Sydney, and net proceeds from the establishment of MIV and our BTR Venture. This was partly offset by the Group's co-investment stake in MWOF. Financing cash outflow was ($57m), down $39m on FY22, driven by higher repayment of borrowings.

CAPITAL MANAGEMENT

Maintaining ample liquidity and financial flexibility continued to be a key focus for the Group in FY23. Our capital position and balance sheet remained strong, despite the volatility in markets. Key outcomes of our capital management focus in FY23 included:

- a well-diversified maturity profile, which has delivered a weighted average debt maturity of 5.0 years, with only $250m of debt due for repayment in the next 12 months
- A- and A3 credit ratings with stable outlooks from Fitch Ratings and Moody's Investor Services maintained
- more than $1.3bn of cash and undrawn debt facilities at 30 June 2023
- gearing slightly above the mid-point of our preferred range of 20-30 per cent.

	FY23	FY22	Movement
Gearing[2] (%)	**25.9**	21.3	4.6
Liquidity ($m)	**1,352**	1,368	(16)
Weighted average debt maturity (years)	**5.0**	5.6	(0.6)
Net debt ($m)	**4,318**	3,532	786
Average borrowing rate (% per annum as at 30 June)	**5.4**	3.9	1.5
Credit rating Fitch Ratings and Moody's Investor Services	**A-/A3**	A-/A3	—

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 and the uncertain environment caused by the global pandemic.
2. Net hedging debt (at foreign exchange hedged rate) excluding leases / (total tangible assets – cash).

FY23 financial and operational results CONTINUED

INVESTMENT

In FY23, the Investment portfolio delivered EBIT of $619m, up 9 per cent on FY22. The result was driven by additional income from completed developments at LIV Munro, Melbourne and Heritage Lanes, 80 Ann Street, Brisbane, like-for-like growth from the passive portfolio, additional income from our co-investment in MWOF, and an uplift on new lease deals at 40 Miller Street and 10-20 Bond Street in Sydney and 383 La Trobe Street, Melbourne.

These gains were offset by loss of income from $454m of asset sales achieved during the financial year, as part of our non-core asset sales program. This included Allendale Square, Perth, 189 Grey Street, Brisbane, Stanhope Village, Sydney, which sold at an average 2 per cent discount to book value.

Higher inflation and bond yields created uncertainty in FY23 and resulted in lower real estate transaction volumes. A softening in capitalisation rates led to an overall loss in investment property valuations of $528m.

	FY23 $m	FY22 $m	Movement $m
Net operating income [2]	**633**	582 [3]	51
Office	**399**	370	29
Retail	**168**	152	16
Industrial	**57**	56	1
Build to Rent	**9**	4	5
Management and administration expenses	**(14)**	(14)	—
Investment EBIT	**619**	568 [3]	51
Investment property revaluation [4]	**(528)**	305	(833)
Total Investment Return	**91**	873	(782)
Portfolio metrics			
Investment property portfolio value [5] ($m)	**11,925**	12,126	(201)
Weighted average capitalisation rate (%)	**5.28**	5.00	0.28
Occupancy (%) [6]	**96.9**	97.3	(0.4)
Cash collection (%) [7]	**99**	97	2
Weighted average lease expiry (years)	**5.2**	5.6	(0.4)
Leasing (sqm)	**233,421**	110,879	122,542

INVESTMENT OUTLOOK[1]

Office

Sentiment within Australia's major markets has softened, as businesses assess the implications of the broader macroeconomic environment and the impact of new ways of working on office space requirements. Leasing volumes remain steady, with increased activity from tenants looking for less than 1,000 square metres. A focus on wellbeing and sustainability continues, as tenants implement strategies to encourage employees back to the office, many mandating minimum requirements for workers in recent months. Meanwhile, capital demand is becoming increasingly bifurcated, with low investor appetite for secondary assets. This supports Mirvac's view that the flight to quality theme will continue. Our office portfolio, which is 99 per cent weighted to Prime and A grade assets and has an average age of 10.8 years, is well placed to benefit from these trends.

Industrial

Operating fundamentals in the industrial sector remain positive, with strong occupier demand, improved e-commerce penetration, constrained supply, and very low vacancy levels resulting in strong market rental growth. This is helping to mitigate the potential impact of expanding capitalisation rates across our industrial portfolio, as a result of recent interest rate rises. Our industrial portfolio, which is 100 per cent occupied and weighted to Sydney, is expected to benefit from market rent growth and continued capital demand for high-quality, well-located industrial assets, while upcoming development completions are also expected to bolster our recurring income stream.

Retail

Sales activity in the retail sector continues to improve, although early signs indicate to a moderation in spending as the impact of interest rate rises and cost of living weighs on household budgets. Momentum in the investment market has also moderated, with economic headwinds and a widening gap in pricing expectations between buyers and owners contributing to yield expansion. At the same time, Australia's population is expected to reach its highest level on record in FY24 and remain high in subsequent years relative to pre-pandemic levels. Our east-coast and predominantly urban-based retail portfolio is expected to benefit from this as well as low unemployment.

Build to Rent

Rental markets continue to perform strongly, with residential vacancy at historically low levels and renters expected to be one of the fastest growing cohorts of the residential market. This strong growth is further enhanced by record low unemployment rates, rising levels of migration, declining household sizes, and population growth in cities, while broader apartment supply continues to moderate. Our Build To Rent (BTR) 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 housing supply shortages in capital cities.

1. These statements are future looking and based on our reasonable assumptions 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 income from co-investments.
3. Restated to reflect Mirvac's new segment reporting structure, which commenced the financial year ended 30 June 2023.
4. Excludes development revaluation loss and includes Mirvac's share in the joint ventures and associates (JVA) revaluation of investment properties, which is included within share of net profit of JVAs.
5. Includes Mirvac's co-investment in funds (MWOF, Mirvac Industrial Ventures and Build to Rent Fund) and assets classified as held for sale. Excludes investment properties under construction and the gross up of lease liability under AASB 16.
6. By area, excludes Build to Rent.
7. By income, excludes Build to Rent.

FUNDS

We have $17.1bn in third-party capital under management with domestic and international partners, which includes funds, mandates, and joint ventures across all sectors (office, retail, industrial, build to rent, and residential). Key to our capital partnership 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.

During the financial year, we secured the management rights to MWOF and successfully transitioned the fund to Mirvac, significantly increasing our third-party capital under management by approximately $7bn. MWOF has outperformed the benchmark over one, two, three and five years. As part of our offering, we have also co-invested $500m into the fund, demonstrating alignment and our commitment to MWOF investors.

We also continued to grow our Funds platform through the incremental conversion of our current development pipeline, establishing three new ventures with high-quality, strategically aligned capital partners. This included the Mirvac Industrial Venture (MIV) with existing partner Australian Retirement Trust (ART), with ART investing a 49 per cent interest in the Venture. The Venture was seeded by Switchyard Industrial Estate, Auburn, Sydney, which provides 72,000 square metres of high-quality industrial space, and expands this relationship to approximately $1bn.

In addition, we launched Australia's first operational Build to Rent Venture (BTRV) with key cornerstone investors, including the Clean Energy Finance Corporation. The Venture comprises Mirvac's operational build to rent assets – LIV Indigo, Sydney and LIV Munro, Melbourne, as well as its build to rent pipeline assets, including; Melbourne based LIV Aston and LIV Albert Fields, and LIV Anura, Brisbane. The Venture has around 2,200 lots in its secured pipeline and an expected end value of $1.8bn. The establishment and capitalisation of the Venture supports our vision to increase our exposure to the build to rent sector, grow our portfolio to at least 5,000 apartments in the medium term, and play a key role in helping solve the housing and rental shortfall in Australia. Mirvac will provide investment management, property management, development management and construction services to the Venture.

Further, we secured Japanese real estate company, Daibiru, as our 50 per cent partner at 7 Spencer Street, Melbourne, allowing us to commence development of our new generation commercial space in a challenging environment.

Interest and support for our asset creation activities remains strong. We have a strong pipeline of commercial and mixed-use development pipeline opportunities, including Harbourisde and 55 Pitt Street, Sydney, allowing for continued growth in funds.

ASSET MANAGEMENT

We have approximately $26bn 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.

Separating Investment, Funds, and Asset Management ensures we can deliver best-in-class service to all of our stakeholders, and manage and lease our assets, and the assets we manage on behalf of our partners, in a way that is free from any conflicts of interest.

	FY23 $m	FY22 $m	Movement $m
Funds Management EBIT	**26**	13	13
Asset Management EBIT	**30**	19	11
Management and administration expenses	**(36)**	(30)	(6)
Funds EBIT	**20**	2	18

FUNDS OUTLOOK[1]

We executed a number of strategic initiatives in FY23, demonstrating our ability to align ourselves with well-capitalised partners to accelerate the growth of our funds platform. We will look to grow the platform through recently launched vehicles and new vehicles where we have deep operational expertise and where we have conviction in our ability to create value for our investors and securityholders. We see opportunity in the living sectors, where we can leverage our integrated model and over 50 years of experience as a residential developer.

With a growing number of investors focused on generating 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.

Following a period of rising inflation and interest rates and economic uncertainty, asset valuations have seen some softening in the past 12 months.

With our multi-sector development pipeline in well-located geographical areas, we will continue to create and curate by connecting capital with our capability, and in turn, deliver value for our investors, our business, and our communities.

Capital allocation to differentiated real estate remains strong. As the market gets comfortable with a more stable interest rate environment, we are seeing increased interest from investors to deploy capital with managers that have operational capability and a co-investment alignment model.

1. These statements are future looking and based on our reasonable assumptions 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.

FY23 financial and operational results CONTINUED

DEVELOPMENT

Our Development business combines our Commercial & Mixed-Use (CMU) and Residential development activities, with a total pipeline value of approximately $29bn.

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. Our unique in-house, mixed-use development capability provides benefits of future income, development value creation, and funds management opportunities.

Within our Residential business, we have approximately 23,000 lots under control across apartments and masterplanned communities, and a reputation for care and quality in everything we do.

COMMERCIAL & MIXED-USE

CMU EBIT in FY23 was primarily driven by the divestment of a 49 per cent interest in Switchyard, Auburn in Sydney to the Mirvac Industrial Venture (MIV), along with the sale of 34 Waterloo Road, Macquarie Park, Sydney, with both transactions realising significant development earnings. In addition, residual development earnings were recognised on completed projects, including the Locomotive Workshop at South Eveleigh, Sydney and Heritage Lanes at 80 Ann Street, Brisbane. This was offset by a net development revaluation loss of $42m, driven by a negative revaluation of LIV Albert Fields, Melbourne, due to planning delays, and partially offset by a positive revaluation of LIV Munro, Melbourne, which reached practical completion in FY23.

Our CMU development pipeline is diverse and flexible, comprising projects at various stages of the development lifecycle. In FY23, the value of our pipeline decreased, reflecting market conditions, as well as the completion of LIV Munro, Melbourne and the sale of 34 Waterloo Road, Macquarie Park, Sydney.

In line with our commitment to deploy capital prudently, we deferred a handful of near-term redevelopments, including 90 Collins Street and 383 La Trobe Street in Melbourne, and 75 George Street, Sydney, with a strategy to re-lease in the short term.

	FY23 $m	FY22 $m	Movement $m
Commercial & Mixed Use EBIT	**120**	105[1]	15
Residential EBIT	**156**	236[1]	(80)
Management and administration expenses	**(62)**	(56)[1]	(6)
Development EBIT	**214**	285	(71)
Commercial & Mixed-Use EBIT	**120**	105[1]	15
Development revaluation gain/loss	**(42)**	70	(112)
Total Commercial & Mixed-Use return	**78**	175	(97)
Commercial & Mixed-Use key metrics			
Total development pipeline[2]	**11,529**	12,452	(923)
Committed development pipeline	**3,218**	2,197	1,021
Invested capital	**1,482**	1,603	(121)

COMMERCIAL & MIXED-USE PROJECT UPDATES

Office and Mixed-Use

> Harbourside Sydney: substantially completed demolition works, and commenced civil works.
> 55 Pitt Street, Sydney: completed demolition works and substantially completed civil works.
> 7 Spencer Street, Melbourne: commenced main works on a 45,500sqm office building following the sale of a 50 per cent interest in the development to Japanese real estate company, Daibiru, in May this year.
> Waterloo Metro Quarter, Sydney: commenced early works on the Southern Precinct, with construction expected to commence in FY24.
> Toombul, Brisbane: progressed master planning for the future use of the site, with a development application for the demolition of this site lodged in April this year.

Industrial

> Switchyard Industrial Estate, Auburn, Sydney: achieved further pre-leasing success, with the project 96 per cent pre-committed as at 11 August[3]. The first stage of the 72,000sqm last-mile estate reached practical completion in FY23, with the balance to follow in early FY24. Switchyard Industrial Estate was also the seed asset for the Mirvac Industrial Venture, which was established in FY23.
> Aspect Industrial Estate, Kemps Creek, Sydney: commenced construction at our first embodied carbon positive development. The 211,000sqm estate is approximately 64 per cent pre-leased[3], with strong tenant engagement for the remaining space.
> Elizabeth Enterprise Precinct, Badgerys Creek, Sydney: lodged the initial development application following the finalisation of the Western Sydney Aerotropolis Phase 2 Development Control Plan in November 2022.
> 34 Waterloo Road, Macquarie Park, Sydney: sold in FY23, realising significant development earnings.

Build to Rent

> LIV Munro, Melbourne (490 apartments): achieved practical completion in November 2022, with 62 per cent of apartments leased as at 30 June 2023.
> LIV Anura, Newstead, Brisbane (396 apartments) and LIV Aston, Melbourne (474 apartments): construction progressed and on track for completion in mid-2024.
> LIV Albert Fields, Melbourne (498 apartments): substantially completed civil works, with main works to commence early FY24.

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. Includes agreement for lease and non-binding heads of agreement. Excluding heads of agreement, Switchyard is approximately 82 per cent pre-leased.

RESIDENTIAL

Residential EBIT in FY23 was 34 per cent lower than in FY22, with higher interest rates contributing to more subdued market conditions, while sustained wet weather on the east coast of Australia placed pressure on residential programs and settlement timings. In addition, cost escalation, supply chain constraints, and labour shortages added further complexities and challenges to the delivery environment.

The main contributors to Residential EBIT in FY23 were our masterplanned communities (MPC) projects, including Smiths Lane, Tullamore and Woodlea in Victoria, and Googong in New South Wales, which contributed 56 per cent of total settlements, resulting in a higher gross margin of 26 per cent. This is expected to normalise in FY24, when key apartment projects delayed in FY23 commence settlements.

Sales activity over the 12 months to 30 June 2023 moderated from elevated levels in FY22, impacted by lower first-home buyer activity, uncertainty over rising interest rates, and a reduction in planned launches. Despite this, we continued to see 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, with leads returning to 10-year averages. This was demonstrated by strong sales success at Isle at Waterfront Newstead, Brisbane and continued sales momentum at Green Square, Sydney, along with activity across our MPC projects, which helped to maintain our pre-sales balance to $1.8bn.

We released 1,510 residential lots throughout the financial year, with 56 per cent of all released lots pre-sold. This included the launch of three major apartment projects, which, as well as Isle Waterfront included Trielle at Yarra's Edge, Melbourne and the next stage at NINE by Mirvac in Willoughby, Sydney. Defaults returned to historic low levels of 0.1 per cent.

	FY23	FY22	Movement
Residential EBIT ($m)	**156**	236[1]	(80)
Lots released	**1,510**	2,748	(1,238)
Lots exchanged (sold)	**1,638**	2,898	(1,260)
Lots settled	**2,298**	2,523	(225)
Pre-sales secured ($m)	**1,821**	1,635	186
Defaults (%)	**<1**	2.7	(2.6)
Gross development margin (%)	**26**	26[2]	—
Pipeline lots	**22,974**	25,352	(2,378)

DEVELOPMENT OUTLOOK[3]

COMMERCIAL & MIXED-USE

Office

While the uncertainty around the longer term impacts of the pandemic and the adoption of hybrid work practices has resulted in softened capital demand and tenant pre-commitments taking longer to convert, positive tenant enquiry remains for well-located new 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 ongoing elevated demand and very low vacancy. This strong customer interest continues to support the roll out of our Sydney-based industrial development pipeline, secured on attractive terms, which includes Switchyard Industrial Estate in Auburn, Aspect Industrial Estate at Kemps Creek, and Elizabeth Enterprise Precinct at Badgerys Creek.

Build to Rent

Metropolitan rental markets continue to rapidly improve, being well timed to match delivery of our secured pipeline of build to rent projects between FY23 and FY25. 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 further.

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 overseas migration, compelling relative affordability of apartments, and strong household balance sheets. We anticipate demand will remain close to long-term average levels, especially among wealthy downsizers, with strong potential for increasing investor demand. The market continues to experience supply scarcity, with established listings below long-term benchmarks, approvals of new supply continuing to languish, and rental vacancies persisting at generational lows. We continue to experience good demand from owner-occupiers focused on high-quality, well-located, designed product with good amenity and certainty of outcome, backed by a credible brand.

We expect to launch a further four major apartment projects over FY24, including:

> Prince & Parade, 699 Park Street, Melbourne, a premium offering overlooking Princes Park
> The Albertine, our newly acquired site on 31 Queens Road, Melbourne, a boutique offering overlooking Albert Park
> the next stage of The Fabric in Altona North, Melbourne
> the last stages at NINE by Mirvac, Willoughby, Sydney.

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

1. Restated to reflect Mirvac's new segment reporting structure, which commenced the financial year ended 30 June 2023.
2. Restated to reflect the transfer of a project from Residential to Commercial & Mixed-Use.
3. These statements are future looking and based on our reasonable assumptions 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.

Risk and risk management

RISK GOVERNANCE

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 our leadership team with the responsibility for managing risk across the Group and implementing mitigation strategies under the direction of the 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.

In FY23, we continued to experience a challenging and volatile operating environment and prolonged economic uncertainty. Global and domestic supply chains remained fragile and were further exacerbated by labour shortages, construction insolvencies, and adverse weather conditions, having impacts on our delivery schedules. Inflationary pressures and higher interest rates also continued to have an impact on our business, while risks were further amplified by the transition out of the global COVID-19 pandemic, ongoing international conflict, the accelerating need for climate change adaptation and mitigation, the increasing prevalence of cyber-attacks, and changes in the geopolitical landscape.

Our integrated and diversified business model, the quality of our modern, sustainable investment portfolio, our strong balance sheet, and disciplined approach to capital management and allocation have positioned us well to navigate through the cycle. We will continue to leverage our key competitive advantages to manage risks and identify opportunities in order to drive long-term success and achieve our targeted strategic objectives.

The Risk Management Policy is available on our website: https://www.mirvac.com/about/corporate-governance

RISK MANAGEMENT: OUR PRINCIPAL RISKS AND OPPORTUNITIES

A number of 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.

RELATED PILLAR OF VALUE	KEY RISKS AND OPPORTUNITIES	HOW WE ARE ADDRESSING THEM	HOW RISK HAS CHANGES SINCE FY22
INVESTMENT AND DEVELOPMENT PERFORMANCE			
Performance Place	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 external factors outside our direct control, including the health of the economy and the strength of the property sector and capital markets, and internal factors, including our investment decisions and group structure.	We collaborate with aligned investors to leverage capability and develop recurring income streams. 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.	Rising inflation and increases in interest rates, which may remain higher for longer, have the potential to negatively impact our financial performance, primarily through increased cost of capital, decline in asset valuations and transaction volumes, and a resetting of targeted investment returns.
MACROENVIRONMENT			
Performance Place	Mirvac is impacted by changing domestic and international economic and macroprudential and regulatory measures, which impact access to capital, investor activity, and foreign investment.	We monitor a wide range of macro-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.	A challenging and volatile operating environment and prolonged economic uncertainty, with successive interest rate rises, have impacted consumer confidence and buyer sentiment. The Australian economy may lose considerable momentum and enter a period of low growth and lower investment, with the potential for a cyclical slowdown to negatively impact some income streams.

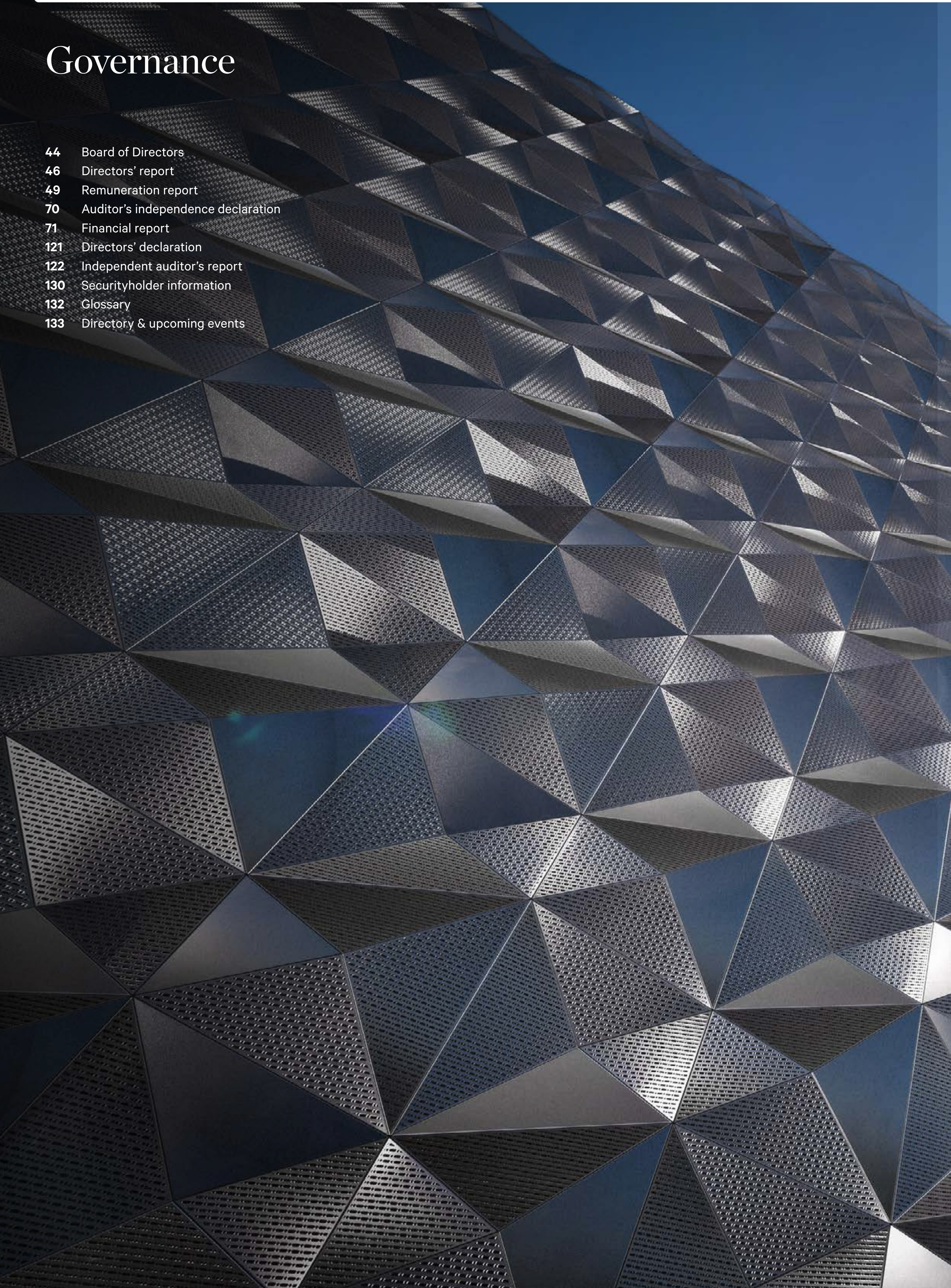
RELATED PILLAR OF VALUE	KEY RISKS AND OPPORTUNITIES	HOW WE ARE ADDRESSING THEM	HOW RISK HAS CHANGES SINCE FY22
CAPITAL MANAGEMENT			
Performance Place	Maintaining a diversified capital structure to support the delivery of stable investor returns and maintain access to equity and debt funding.	We have a capital management framework that is approved and monitored by the Board. The framework aims to address market, credit and liquidity risks, while also meeting the Group's strategic objectives. 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.	↑ Appropriate liquidity is in place and gearing remains within the target range, however, the cost of capital has increased materially, and any movement in net asset valuations and changes in transaction activity have the potential to impact on gearing.
KEY PARTNERS			
Performance Place 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 relationships that are driven by trust, transparency 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.	→ There was no material change in Mirvac's key partner risk profile during the reporting period.
CYBER RISK			
Place Partners	Cyber security and information privacy are an increasing risk for our business given the dynamic nature of these threats. 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 to 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.	↑ There were several high-profile cyber security incidents in Australia during the reporting period, with increases in the sophistication, scale, and frequency of cyber threats, resulting in changes to laws and regulations, and societal expectations of privacy. The global geopolitical risk landscape and the rapid evolution of the cyber threat environment increases the potential of an attack.
DIGITAL DISRUPTION			
Place Partners	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 and technology to ensure that digital experiences are continually evolving.	→ There was no material change in Mirvac's innovation and digital disruption risk profile during the reporting period.

Risk and risk management CONTINUED

RELATED PILLAR OF VALUE	KEY RISKS AND OPPORTUNITIES	HOW WE ARE ADDRESSING THEM	HOW RISK HAS CHANGES SINCE FY22
BUSINESS RESILIENCE			
Place People Partners Planet	It is crucial that we have the capability and capacity to effectively manage and recover from a major incident in a timely and efficient manner, and to adapt to changes in our operating markets.	We have an embedded organisational resilience program that enables the business to effectively manage and continue business-critical processes and operations 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.	→ There was no material change in Mirvac's organisational resilience and business continuity management risk profile during the reporting period.
SUPPLY CHAIN			
Partners	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 are supplying.	We have well-established process and oversight bodies to manage key 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 with emerging legislation. Supply chain disruption, accelerated by COVID-19, geopolitical tensions, and the impact of cost-escalation and labour shortages in the construction industry, is actively managed through supply continuity plans and alternative supply arrangements.	↑ Supply chain disruption and constraints continue to persist, with local labour and materials shortages in key markets, subcontractor and developer insolvencies, and sustained adverse weather. These have the potential to cause cost escalation and delays in delivery schedules.
SOCIAL RESPONSIBILITY			
Partners Planet	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 to instil 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 good earnings visibility, guidance and full disclosure to our securityholders so they can make informed choices.	→ There was no material change in Mirvac's corporate social responsibility and stakeholder relations risk profile during the reporting period.
PLANNING AND REGULATION			
Partners Planet	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 have proactive and constructive engagements with all levels of government on policy changes that may impact our business and projects, and we 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.	→ There was no material change in Mirvac's compliance and regulatory risk profile during the reporting period.

RELATED PILLAR OF VALUE	KEY RISKS AND OPPORTUNITIES	HOW WE ARE ADDRESSING THEM	HOW RISK HAS CHANGES SINCE FY22
HEALTH, SAFETY AND ENVIRONMENT			
People Partners Planet	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 to improve the overall wellbeing of our employees, our suppliers, our community, and the environment. During FY23, we continued 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 societal and health consequences posed by the global pandemic.	There was no material change in Mirvac's health, safety, and environment risk profile during the reporting period.
PEOPLE, CULTURE AND CAPABILITY			
People	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 that 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 have been defining, measuring and curating our desired culture for some time. Our remuneration strategy is designed to attract the best talent, and motivate and retain individuals, while aligning to the interests of executives, securityholders and community expectations.	Our high retention level of key talent, a reduction in voluntary turnover, and our overall employee engagement score are indicative of effective talent and change management, and the prioritisation and protection of our culture.
IMPACTS OF CLIMATE CHANGE			
Place Planet	Climate change can not only 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. 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. In FY23, having achieved our ambition to be net positive for scope 1 and 2 carbon emissions nine years ahead of our 2030 target, we released our plan and approach to be net positive in scope 3 carbon emissions by 2030.	There was no material change in Mirvac's sustainability and ESG risk profile during the reporting period. Mirvac remains proactive in the management of ESG risks and is highly focused on sustainability outcomes, particularly with respect to climate risks and disclosures.

Governance



Board of Directors

DIRECTORS' EXPERIENCE AND AREAS OF SPECIAL RESPONSIBILITY

The members of the Mirvac Board and their qualifications, experience and responsibilities are set out below:

Robert Sindel

BEng, MBA, GAICD, FIEAust

Independent Non-Executive Chair

Chair of the Nomination Committee

Member of the Health, Safety, Environment & Sustainability Committee

Member of the Human Resources Committee

Robert Sindel was appointed a Non-Executive Director of Mirvac in September 2020 and as Independent Non-Executive Chair in January 2023. He has 30 years' experience in the construction industry both in Australia and the United Kingdom as well as experience operating in high-risk industries. Most recently, Rob has held roles in senior executive management and leadership in the building industry supply chain, manufacturing, sales and marketing in business-to-business environments and strategic management.

Rob is currently the Chair of Orora Limited, a Non-Executive Director of Boral Limited and is a Member of Australian Business Community Network Foundation and the Yalari NSW Advisory Committee.

Rob is the former Managing Director and Chief Executive Officer of CSR Limited, a former Member of the UNSW Australian School of Business Advisory Council and a former Director of Green Building Council of Australia.

Campbell Hanan

BEc, EMBA

Group Chief Executive Officer & Managing Director (CEO/MD) – Executive

Campbell Hanan was appointed Group Chief Executive Officer & Managing Director of Mirvac in March 2023, and joined the Board as an Executive Director at the same time.

Campbell joined Mirvac in March 2016 as the Head of Commercial Property. In October 2020, he was appointed as the Head of Integrated Investment Portfolio, and in this role he was responsible for the strategic direction and leadership of Mirvac's commercial portfolio, which included Office, Industrial, Retail, and Build to Rent business units nationwide. Prior to this, Campbell was the CEO of Investa Office, a role he held since 2013. He has 30 years' experience in the property and funds management industry, 12 of which were with Investa, where he served in a number of senior positions, as well as at UBS Warburg.

Campbell is a member of the Property Champions of Change and the Climate Leaders Coalition.

Christine Bartlett

BSc, MAICD

Independent Non-Executive

Chair of the Human Resources Committee

Member of the Audit, Risk and Compliance Committee

Member of the Nomination Committee

Christine Bartlett was appointed a Non-Executive Director of Mirvac in December 2014.

Christine is an experienced Chief Executive Officer and senior executive, with extensive line management experience gained through roles with IBM, Jones Lang LaSalle and National Australia Bank Limited. Her executive career has included Australian, regional and global responsibilities based in Australia, the USA and Japan. Christine brings a commercial perspective especially in the areas of financial discipline, identifying risk, complex project management, execution of strategy, fostering innovation and taking advantage of new emerging technologies.

Christine is currently a Director of Reliance Worldwide Corporation Limited, Sigma Healthcare Limited and TAL Life Limited.

Christine is currently a member of the UNSW Australian School of Business Advisory Council.

Christine is a former Director of iCare, GBST Holdings Ltd and Director and Chair of The Smith Family.

Damien Frawley

Independent Non-Executive

Member of the Audit Risk and Compliance Committee

Member of the Human Resources Committee

Damien Frawley was appointed a Non-Executive Director of Mirvac in December 2021. Damien has wide-ranging experience in investment management and asset management in real estate and infrastructure in Australia and offshore, as well as public markets.

From 2012 to 2022, Damien was the CEO of Queensland Investment Corporation (QIC), one of Australia's leading investment managers. He has led the Queensland Government-owned global institutional investment manager for the past nine years, retiring as CEO in 2022.

In June 2022, Damien was appointed as Chair of Host-Plus Pty Ltd and Queensland Treasury Corporation Capital Markets.

Damien has over 35 years' experience in the financial services sector, with a strong focus on developing and executing strategy. Prior to his QIC role, Damien was the country head of BlackRock Australia. Damien's career has also included roles at Merrill Lynch Investment Management, Barclays Global Investors and Citibank.

Jane Hewitt
BAS Land Economics, MAICD

Independent Non-Executive
Member of the Audit, Risk and Compliance Committee
Member of the Health, Safety, Environment & Sustainability Committee

Jane Hewitt was appointed a Non-Executive Director of Mirvac in December 2018. Jane has over 27 years' experience in real estate development and asset management. She founded UniLodge in 1996 and pioneered the corporatisation, professional development and management of student accommodation facilities on and off University campuses in Australia and New Zealand.

As an entrepreneur and founder, Jane has extensive operational experience and a strong track record in developing successful partnerships in real estate and business ventures. She developed UniLodge into an operation with assets of approximately $1 billion.

Since 2012, Jane has worked on a number of non profit ventures in housing, homelessness and youth disadvantage. She is Chair of the Beacon Foundation, and is a member of the board of the National Housing Finance and Investment Corporation.

James M. Millar AM
BComm, FCA, FAICD

Independent Non-Executive
Chair of the Audit, Risk and Compliance Committee
Member of the Nomination Committee

James M. Millar was appointed a Non-Executive Director of Mirvac in November 2009.

James commenced his career in the Insolvency & Reconstruction practice at EY, being involved in a number of sizeable corporate workouts. He has qualifications in both business and accounting.

James is currently the Chair of Export Finance Australia and Cambooya Pty Ltd, and a Director of Credit Corp Group Limited.

James serves a number of charities and is Chair of the Vincent Fairfax Family Foundation and Director of Vincent Fairfax Ethics in Leadership Foundation.

James is the former Chief Executive Officer of Ernst & Young (EY) in the Oceania Region, and was a Director on its global board.

James is a former Director of Forestry Corporation of NSW, Macquarie Media Limited, Fairfax Media Limited, Slater & Gordon Ltd, and former Chair of The Smith Family.

Samantha Mostyn AO
BA, LLB

Independent Non-Executive
Chair of the Health, Safety, Environment & Sustainability Committee
Member of the Human Resources Committee
Member of the Nomination Committee

Samantha Mostyn was appointed a Non-Executive Director of Mirvac in March 2015.

Samantha has significant experience in the Australian corporate sector both in executive and non-executive capacities, in particular in the areas of human resources, corporate and government affairs, sustainability management and diversity.

Samantha is the Chair of Aware Super, and a corporate adviser and Director of GO Foundation and Alberts Group.

Samantha has held senior executive positions, including Group Executive Culture and Reputation, IAG and Global Head HR and Culture, Cable & Wireless in London. She serves on the Australian faculty of the Cambridge University Business & Sustainability Leadership Program.

Samantha is a former Director of Virgin Australia Holdings Limited, Transurban Holdings Limited, Cover-More Group Limited, Sydney Theatre Company, National Sustainability Council, National Mental Health Commission, Carriageworks, Sydney Swans, Commissioner with the Australian Football League, Deputy Chair of the Diversity Council of Australia, and Chair of an Australian APRA regulated Citibank subsidiary board.

Peter Nash
BComm, FCA, F Fin

Independent Non-Executive
Member of the Audit, Risk and Compliance Committee
Member of the Health, Safety, Environment & Sustainability Committee

Peter Nash was appointed a Non-Executive Director of Mirvac in November 2018.

Peter has worked in geographically diverse and complex operating environments providing advice on a range of topics, including business strategy, risk management, business processes, and regulatory change. Peter has also provided financial and commercial advice to many government businesses at both a federal and state level.

Peter is currently the Chair of Johns Lyng Group Limited (appointed October 2017), Director of Westpac Banking Corporation (appointed March 2018), ASX Limited (appointed June 2019), Koorie Heritage Trust and General Sir John Monash Foundation.

Peter was a Senior Partner with KPMG until September 2017, having been admitted to the partnership of KPMG Australia in 1993. He served as the National Chair of KPMG Australia from 2011 until August 2017, where he was responsible for the overall governance and strategic positioning of KPMG in Australia. In this role, Peter also served as a member of KPMG's global and regional boards. Peter's previous positions with KPMG included Regional Head of Audit for Asia Pacific, National Managing Partner for Audit in Australia, and Head of KPMG Financial Services.

Peter is a former member of the Business Council of Australia and its Economic and Regulatory Committee.

COMPANY SECRETARY

Michelle Favelle
BBus, FGIA

Michelle Favelle was appointed as Company Secretary in December 2019, having joined Mirvac in February 2018 as Deputy Group Company Secretary. She has over 20 years' corporate experience and has held a range of governance and company secretary roles in the property, financial services, media and not-for-profit sectors. She holds a Bachelor of Business and is a fellow of the Governance Institute of Australia.

Directors' report

The Directors of Mirvac Limited present their report, together with the consolidated financial report of Mirvac Group (Mirvac or Group) for the year ended 30 June 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 Directors of Mirvac in office at any time during the financial year and up to the date of this report, together with information on their qualifications and experience are set out on pages 44 to 45. The number of Board and Board committee meetings held and attended by Directors, of which they were members during the year ended 30 June 2023 is detailed below.

REMUNERATION REPORT

The Remuneration report as required under section 300A of the *Corporations Act 2001* is set out on pages 49 to 69 and forms part of the Directors' report.

MEETINGS OF DIRECTORS

The number of Directors' meetings held and attended by each Director during the year ended 30 June 2023 is detailed below:

	Board		Audit, Risk & Compliance Committee[1]		Human Resources Committee[1]		Nomination Committee[1]		Health, Safety, Environment & Sustainability Committee[1]	
Director	Held	Attended	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Robert Sindel (Chair)	12	12	—	—	6	6	4	4	4	4
Campbell Hanan (Group CEO/MD)[2]	4	4	—	—	—	—	—	—	—	—
Christine Bartlett	12	12	6	6	6	6	4	4	—	—
Damien Frawley	12	11	6	5	6	5	—	—	—	—
Jane Hewitt	12	12	6	6	—	—	—	—	4	4
James M. Millar AM	12	12	6	6	—	—	4	4	—	—
Samantha Mostyn AO	12	11	—	—	6	5	4	4	4	3
Peter Nash	12	12	6	6	—	—	—	—	4	4
John Mulcahy[3]	7	7	3	3	4	4	2	2	2	2
Susan Lloyd-Hurwitz[4]	8	8	—	—	—	—	—	—	—	—

1. Voluntary attendances at meetings by Directors who were not committee members are not included.
2. Campbell Hanan was appointed as a Director effective 1 March 2023.
3. John Mulcahy resigned as a Director effective 31 December 2022.
4. Susan Lloyd-Hurwitz resigned as a Director effective 1 March 2023.

OTHER DIRECTORSHIPS

Details of all directorships of other listed companies held by each Director in the three years immediately before 30 June 2023 or up to the date of their resignation are as follows:

Director	Company	Date appointed	Date ceased
Robert Sindel	Boral Limited	September 2020	Current
	Orora Limited	March 2019	Current
Campbell Hanan[1]	Nil		
Christine Bartlett	Reliance Worldwide Corporation Limited	November 2019	Current
	Sigma Healthcare Limited	March 2016	Current
Damien Frawley	Nil		
Jane Hewitt	Nil		
James M. Millar AM	Credit Corp Group Limited	December 2021	Current
Samantha Mostyn AO	Transurban Holdings Limited	December 2010	October 2021
Peter Nash	ASX Limited	June 2019	Current
	Johns Lyng Group Limited	October 2017	Current
	Westpac Banking Corporation	March 2018	Current
John Mulcahy[2]	ALS Limited (formerly Campbell Brothers Limited)	February 2012	Current
	GWA Group Limited	November 2010	Current
Susan Lloyd-Hurwitz[3]	Nil		

1. Campbell Hanan was appointed as a Director effective 1 March 2023.
2. John Mulcahy resigned as a Director effective 31 December 2022.
3. Susan Lloyd-Hurwitz resigned as a Director effective 1 March 2023.

Directors' report

ACTIVE GOVERNANCE

Board Governance

Mirvac is committed to ensuring that its operations, procedures, and practices reflect a high standard of corporate governance to foster a culture that values ethical behaviour, integrity, and respect. This ensures that Mirvac is well placed to protect the interests of its stakeholders.

In addition to the regular program of meetings, briefings, and site tours, the Board and Board Committees continued to strengthen and enhance their corporate governance practices and oversight during FY23 in the following key areas, which are aligned with Mirvac's five pillars for creating value:

PERFORMANCE

> continuing to take a disciplined approach to capital management and diversifying capital sources
> supporting the asset disposal program and debt strategy
> heightened rigour around the financial returns of key development projects
> growing the funds management and capital partnering businesses

PLACE

> focussing on asset creation and curation of development projects to drive better outcomes for customers
> supporting external partnerships and fund mandates to deliver development projects
> continuing to support the important role of Mirvac's in-house design team in the delivery of placemaking outcomes

PEOPLE

> maintaining high engagement on safety culture, supplemented by visits to Mirvac's sites, with an emphasis on physical safety processes and procedures
> a broadening of the health and safety focus for our people to psychosocial and mental health initiatives
> supporting the investment in social infrastructure and further developing community partnerships that support a range of important social matters, including reconciliation, LGBTQ+ inclusion, mental health and safety, and housing affordability
> strong engagement and support of the recent organisational change management program
> the design of remuneration and reward structures to encourage appropriate behaviours
> continuing the proactive approach to Board succession planning, which resulted in the successful transition of CEO and Chair leadership in early 2023

PARTNERS

> supporting the growth of the funds management and capital partnering business
> related to the above, approving governance framework enhancements for Mirvac Wholesale Office Fund I and II (MWOF), following engagement with MWOF unitholders, with the appointment of a trustee board comprising a majority of independent Directors
> supporting and building government relations as a pathway to better outcomes on property projects

PLANET

> our sustainability strategy and project-specific initiatives, supplemented by visits to Mirvac's sites
> supporting Mirvac's ambitious target to achieve net positive scope 3 emissions by 2030
> focussing on areas of climate change financial reporting, carbon accounting methodology, and carbon and environmental offsets
> supporting green financing strategy

Compliance

Mirvac's governance arrangements and practices met the requirements of the fourth edition of the Australian Securities Exchange (ASX) Corporate Governance Council Corporate Governance Principles and Recommendations (the ASX Principles) during FY23. Further information on our corporate governance policies and practices are contained in our 2023 Corporate Governance Statement located at www.mirvac.com/about/corporate-governance.

Directors' report

REVIEW OF OPERATIONS

A review of the operations of the Group during the financial year and the results of those operations are detailed in the FY23 Financial and Operational Results section on pages 32 to 37 of the report.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

Details of the state of affairs of the Group are disclosed on pages 32 to 37. Other than those matters disclosed, there were no significant changes to the state of affairs during the financial year under review that are not otherwise disclosed in this annual report.

EVENTS OCCURRING AFTER THE END OF THE YEAR

No events have occurred since the end of the 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.

DISTRIBUTIONS

Distributions paid or payable by the Group for the year ended 30 June 2023 were 10.5 cents per stapled security (2022: 10.2 cents per stapled security). Refer to note F1 in the consolidated financial statements.

ENVIRONMENTAL REGULATIONS

Mirvac and its business operations are subject to compliance with both Commonwealth and state environment protection legislation. The Board is satisfied that adequate policies and procedures are in place to ensure Mirvac's compliance with the applicable legislation. In addition, Mirvac is also subject to the reporting requirements of the *National Greenhouse and Energy Reporting Act 2007* and *Building Energy Efficiency Disclosure Act 2010*. Mirvac is not aware of any incidents that have resulted in material non-compliance with environmental regulations during the financial year.

TAX GOVERNANCE STATEMENT

Mirvac has adopted the Board of Taxation's *Tax Transparency Code* (TTC). As part of the TTC, Mirvac has published a Tax Governance Statement (TGS), which details Mirvac's corporate structure and tax corporate governance systems. Mirvac's TGS for the year ended 30 June 2023 can be found on Mirvac's website at: www.mirvac.com/about/corporate-governance.

FRAUD, BRIBERY AND CORRUPTION

Mirvac has zero tolerance regarding fraud, bribery and corruption and requires all workplace participants and service providers to adhere to the highest standards of honesty and integrity in the conduct of all activities. Mirvac will uphold all laws relevant to countering bribery, fraud and corruption in the jurisdictions in which it operates.

Any allegation of a person from within or associated with Mirvac (notwithstanding the capacity in which they are acting), acting in a manner inconsistent with this statement will be treated seriously, regardless of the seniority of those involved. Disciplinary action, including dismissal, may result. Where it is believed that a criminal offence may have been committed, the police and other relevant bodies may be informed.

NON-AUDIT SERVICES

From time to time, Mirvac may engage its external auditor, PricewaterhouseCoopers, to perform services additional to its statutory audit duties. Details of the amounts paid or payable to PricewaterhouseCoopers for audit and non-audit services provided during the year ended 30 June 2023 are set out in note H4 to the consolidated financial statements.

In accordance with the advice received from the ARCC, the Board is satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001* and did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

> all non-audit services were reviewed by the ARCC to ensure they did not affect the impartiality and objectivity of the auditor; and

> none of the services undermined the general principles relating to auditor independence as set out in Accounting Professional & Ethical Standards 110 *Code of Ethics for Professional Accountants*, including reviewing or auditing the auditor's own work, acting in a management or a decision-making capacity for the Group, acting as advocate for the Group or jointly sharing economic risk and rewards.

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 70 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
16 August 2023

Remuneration report

MESSAGE FROM THE HUMAN RESOURCES COMMITTEE (HRC)

The HRC is pleased to present securityholders with the FY23 Remuneration Report. This report sets out Mirvac's approach to remuneration for its Executives and in particular the link between Mirvac's strategy and its remuneration framework, the link between performance and reward, and remuneration outcomes for Executives. The HRC has oversight of Mirvac's People Strategy, Culture and key Human Resources practices.

Mirvac's remuneration framework is an integral component of our People Strategy.

Leadership changes

During FY23, there were a number of leadership changes. As a testament to Mirvac's robust professional development, talent management and succession planning, three key appointments on the ELT were made by internal promotion - Campbell Hanan into the Group CEO/MD position, Richard Seddon as the CEO, Investments and Victoria Tavendale as the Chief Asset Management Officer. We also welcomed Scott Mosely as the CEO, Funds Management. These appointments set Mirvac up with a highly experienced and capable leadership team to execute on the Group's strategic priorities.

People and culture key highlights

The HRC has for many years recognised Mirvac's culture as a key source of competitive advantage, a differentiator for attracting and retaining the best talent in our sector, and a driver of employee, team and organisational performance. In FY23, Mirvac continued to deliver on its People Strategy. Through another challenging year, our purpose, culture, and values have guided our decision making and actions.

Key highlights for the year include:

> Mirvac ranked number one globally in Equileap's Global Report on Gender Equality for the second time in two years
> maintained an average like-for-like gender pay gap of zero for the seventh consecutive year
> achieved an overall engagement score of 79 per cent, reflecting our continued focus on our culture and our people
> 93 per cent of employees said they are proud to work for Mirvac and 92 per cent were happy to recommend Mirvac as a great place to work in our employee engagement survey
> launched our first official LGBTQ+ working group, the Mirvac Pride Committee, consisting of LGBTQ + colleagues and allies
> secured internal candidates for 88 per cent of positions arising from changes to our organisational structure, demonstrating Mirvac's talent management and succession planning in action
> made significant inroads in our Women in Construction program, with women making up 32 per cent of new hires in the past year and 18 per cent of our construction workforce
> maintained female representation above targets, including 43 per cent of senior leadership roles held by women
> retained 89 per cent of key talent, notwithstanding a highly competitive labour market

More on our People Strategy and how this supports Mirvac's performance can be found in the People section, page 22.

Summary of remuneration outcomes and decisions for FY23

In early FY23, a review was undertaken of the remuneration for Executives and, informed by external benchmarking data the STI targets for the Executives were increased from 70 per cent to 100 per cent of fixed remuneration, with the maximum reduced from 200 per cent of target to 150 per cent of target. The deferral component of the STI was increased from 25 per cent to 40 per cent. These changes were all effective 1 January 2023.

In September last year, Brett Draffen announced his resignation as Chief Investment Officer (CIO) of Mirvac. Following Brett's departure, the decision was made not to replace the CIO role, and instead, use Brett's departure as an opportunity to reallocate the portfolio to existing roles within Mirvac. Our Chief Financial Officer, Courtenay Smith, absorbed Brett's CIO duties under Group Advisory Solutions, and Stuart Penklis absorbed Brett's Commercial & Mixed-Use Development responsibilities under a new Development Division. In recognition of the additional responsibilities:

– Courtenay Smith received a fixed pay increase from $800,000 to $950,000 per annum, effective 1 January 2023
– Stuart Penklis received a fixed pay increase from $950,000 to $1,100,000 per annum, effective 1 January 2023.

Shortly after Brett's announcement, Susan Lloyd-Hurwitz, who served as Mirvac's CEO & Managing Director, announced her plan to retire from Mirvac at the end of the financial year. This provided a smooth transition for an internal successor, Campbell Hanan. As announced to market, Campbell's remuneration package is consistent with what Susan received (which did not change over her 10 years with Mirvac), the only exception being the changes that had already been approved to increase STI targets, as mentioned above.

With regards to FY23 outcomes:

– As in previous years we have maintained a financial gateway of 90 per cent of budget for the Group STI Pool to open, which the HRC believes is important in aligning financial performance with individual STI outcomes. FY23 operating profit was above the gateway, and the HRC approved a Group STI score of 94.5 per cent, down from 113 per cent in FY22, which reflects the more challenging financial performance balanced with the contribution of management to deliver outcomes.
– The performance period for the FY21 Long-term Performance Plan (LTP) completed on 30 June 2023. The FY21 LTP was subject to a single performance measure of relative TSR over the performance period starting 1 October 2020. Mirvac's absolute TSR performance of 18.68 per cent was at the 57th percentile of the comparator group, resulting in total vesting of the FY21 LTP of 64 per cent for Executives. The Board believes this is a fair reward for Executives for their management of the business during COVID and up until 30 June 2023.

Remuneration report

KEY MANAGEMENT PERSONNEL FOR FY23

This report covers the key management personnel (KMP) of Mirvac, who are the people responsible for determining and executing Mirvac's strategy. This includes both the Executive KMP (the Group CEO/MD, CFO and divisional CEO who are part of the ELT) as well as Non-Executive Directors.
For FY23, the KMP were:

Name	
Non-Executive Directors	
Robert Sindel	Chair
Christine Bartlett	Non-Executive Director
Damien Frawley	Non-Executive Director
Jane Hewitt	Non-Executive Director
James M. Millar AM	Non-Executive Director
Samantha Mostyn AO	Non-Executive Director
Peter Nash	Non-Executive Director
Former Non-Executive Directors	
John Mulcahy	until 31 December 2022

Name	
Executive KMP	
Campbell Hanan	Group CEO & Managing Director
Courtenay Smith	CFO
Scott Mosely	CEO, Funds Management from 28 November 2022
Stuart Penklis	CEO, Development
Richard Seddon	CEO, Investments from 1 March 2023
Former Executive KMP	
Susan Lloyd-Hurwitz	until 30 June 2023
Brett Draffen	until 31 December 2022

The information provided in this remuneration report has been audited as required by section 308(3C) of the *Corporations Act 2001*.

Contents **Page**

1 KEY QUESTIONS

Key questions	Mirvac approach	Further info
REMUNERATION IN FY23		
How is Mirvac's performance reflected in FY23 remuneration outcomes?	Mirvac's reward framework aims to align the interests of our employees with those of our securityholders and stakeholders. The remuneration outcomes reflect a pay-for-performance approach that considers a number of factors, including Group, team and individual performance, as well as behaviours that help build and protect Mirvac's culture and reputation. **Short-term incentives:** A Group operating profit gateway is applied, such that no STI pool is funded unless operating profit is at least 90 per cent of plan. Subject to the gateway being met, the STI pool is funded up to a maximum of 6 per cent of operating profit. The FY23 operating profit was above the gateway, and the HRC approved a Group STI score of 94.5 per cent, down from 113 per cent in FY22. **Long-term incentives:** The performance period for the FY21 Long-term Performance Plan (LTP) completed on 30 June 2023. The FY21 LTP was subject to a single performance measure of relative TSR over the performance period starting 1 October 2020. Mirvac's absolute TSR performance of 18.68 per cent was at the 57th percentile of the comparator group, resulting in total vesting of the FY21 LTP of 64 per cent for Executives.	**Section 2** Page 56
What changes have been made to the remuneration structure in FY23?	**Fixed remuneration:** Courtenay Smith, CFO, received a fixed pay increase from $800,000 to $950,000 per annum and Stuart Penklis, CEO Development, received a fixed pay increase from $950,000 to $1,100,000 per annum both effective 1 January 2023. These increases reflect their expanded roles following the departure of Brett Draffen, with Courtenay Smith absorbing Brett's CIO duties under Group Advisory Solutions, and Stuart Penklis absorbing Brett's Commercial & Mixed-Use Development responsibilities under the Development Division. **Short-term incentives:** There were no changes to STI methodology. Consistent with prior years, the STI pool has a gateway requirement of Group operating profit being at least 90 per cent of target, and the pool funding is moderated by the Board based on the achievement of a scorecard of strategic objectives. In early FY23, a review was undertaken of the remuneration for the Executive KMP and, informed by external benchmarking data, the STI targets for the Executive KMP were increased from 70 per cent to 100 per cent of fixed remuneration, with the maximum reduced from 200 per cent of target to 150 per cent of target. The deferral component of the STI was increased from 25 per cent to 40 per cent. These changes were all effective 1 January 2023. **Long-term incentives:** There were no changes to the LTP award. Consistent with the prior year, the performance measures were relative TSR and ROIC: 40 per cent weighting for relative TSR; and 60 per cent weighting for ROIC. The performance period of the FY23 LTP began on 1 July 2022 and will end on 30 June 2025.	**Section 3** Page 58

Remuneration report

1 KEY QUESTIONS *continued*

Key questions	Mirvac approach	Further info
REMUNERATION IN FY23 *continued*		
Are any changes planned for FY24?	As always, Mirvac conducts a detailed review of our executive remuneration framework each year. While the Board prefers stability in the framework we believe a full review ensures the approach remains fit for purpose. The Board and Management believe that the current STI design remains fit for purpose, including a financial gateway of 90 per cent of operating profit for the STI plan, and rewarding for performance against operating earnings, ROIC and a scorecard of strategic objectives. The LTP design has been reviewed to ensure the incentive remains fit for purpose, taking into account current and future market conditions, and that continues to meet the intended purpose of the LTP. In reviewing our LTP the core principles are that the design is strongly aligned with securityholders – especially in rewarding for relative outperformance – as well as ensuring the LTP is simple, based on publicly available data, drives behaviours and outcomes aligned to our strategy, and provides the right balance of motivation, stretch and retention. In view of this, our future awards will have two relative hurdles each accounting for 50 per cent of the award, with performance measured against the ASX 200 A-REIT constituents: > **Relative TSR:** retained from previous awards, increased weighting to 50 per cent from 40 per cent. > **Relative ROE:** defined as Statutory Profit / Total Equity. To incentivise outperformance of peers, vesting will be calculated on a relative basis, similar to how TSR operates. However, to strike a balance between relative outperformance and the need for absolute returns and to ensure appropriate gearing, vesting for this component will be capped at 50 per cent unless: (a) ROIC exceeds WACC over the performance period; and, (b) gearing is within the Board approved range. ROIC continues to be a key metric, but ROE was chosen as the best ROIC-like measure that would enable relative comparison on a like-for-like basis to peers. Further details will be provided in the Notice of Meeting for our 2023 AGM. There are no further changes anticipated in our remuneration approach for FY24.	
REMUNERATION FRAMEWORK		
Where does Mirvac's remuneration sit relative to the market?	Fixed and variable pay are both aimed at the market median, with remuneration opportunities for outstanding performance extending up to the 75th percentile of the market.	**Section 4** Page 62
What proportion of remuneration is "at risk"?	The majority of Executive KMP's remuneration is based on performance and is therefore at risk. The remuneration package for the Group CEO/MD is 71 per cent performance-related pay, and for other Executives the remuneration package is, on average, 60 per cent performance-related pay.	**Section 4** Page 61
Are there any clawback provisions for incentives?	Yes, the Board has the ability to claw back incentives in the event of a material financial misstatement, any misconduct that is, or may be, harmful to the Group, and/or gross negligence.	**Section 4** Pages 63-64
What is Mirvac's minimum securityholding requirement?	The minimum securityholding requirement is: > 150 per cent of fixed remuneration for the Group CEO/MD > 100 per cent of fixed remuneration for other Executives > 100 per cent of base fees for Non-Executive Directors.	**Section 6** Page 67
SHORT-TERM INCENTIVES		
Are any STI payments deferred?	Yes, 40 per cent of STI for Executives are awarded as rights over Mirvac securities, half of which vest in one year and half in two years. If the Executive resigns before the vesting period ends, the rights do not vest and are forfeited.	**Section 4** Pages 62-63
Are STI payments capped?	Yes, an Executive's STI is capped at 150 per cent of their STI target, achievable only in circumstances of both exceptional individual and Group performance.	**Section 4** Page 62

Remuneration report

1 KEY QUESTIONS *continued*

Key questions	Mirvac approach	Further info
LONG-TERM INCENTIVES		
What are the performance measures for the LTP plan?	For the FY21 LTP award, performance is measured over the period 1 October 2020 to 30 June 2023 with 100 per cent of the award subject to relative TSR, with the Board having overarching discretion to ensure vesting outcomes are appropriately aligned to performance. For the FY22 and FY23 LTP awards, performance is measured over a three-year period with 40 per cent of the award subject to relative TSR and 60 per cent of the award subject to ROIC, with the Board having overarching discretion to ensure vesting outcomes are appropriately aligned to performance.	**Section 4** Pages 63-64
Does the LTP have re-testing?	No, there is no re-testing.	**Section 4** Pages 63-64
Are dividends/ distributions paid on unvested LTP awards?	No, dividends/distributions are not paid on unvested LTP awards. This ensures that Executives are only rewarded when performance hurdles have been achieved at the end of the performance period.	**Section 4** Pages 63-64
Is the size of LTP grants increased in light of performance conditions?	No, there is no adjustment to reflect the performance conditions. The grant price for allocation purposes is not reduced based on performance conditions. The allocation price for determining the number of performance rights granted to each Executive KMP is calculated as the average security price for the month leading up to grant, discounted for the assumed value of dividends and distributions not paid during the three-year performance period.	**Section 4** Pages 63-64
Can LTP participants hedge their unvested LTP?	Consistent with the *Corporations Act 2001*, participants are prohibited from hedging their unvested performance rights.	**Section 4** Pages 63-64
Does Mirvac buy securities or issue new securities for security-based awards?	For deferred STI awards, securities are purchased on-market. For LTP awards, the Board has discretion to issue new securities or buy existing securities on-market.	**Section 4** Pages 63-64
Does Mirvac issue share options?	No, Mirvac uses performance rights for the deferred STI and LTP awards.	**Section 4** Page 64
EXECUTIVE KMP SERVICE AGREEMENTS		
What is the maximum an executive can receive on termination?	Executive KMP termination entitlements are limited to 12 months fixed remuneration.	**Section 4** Page 64

2 OUR PILLARS OF VALUE AND THE LINK TO REMUNERATION OUTCOMES

Mirvac's remuneration strategy is designed to support and reinforce its business strategy. The at-risk components of remuneration are tied to measures that reflect the successful execution of our business strategy in both the short and long term.

STI SCORECARD

Our Pillars of Value are reflected in STI performance measures ensuring Mirvac's actual performance directly affects what Executives are paid.

Remuneration report

2 OUR PILLARS OF VALUE AND THE LINK TO REMUNERATION OUTCOMES

OUR PILLARS OF VALUE

PERFORMANCE
FINANCIAL

Having diversified and appropriately balanced sources of capital, including third-party capital, equity and debt, helps us execute on our urban strategy and deliver sustainable returns to our securityholders and capital partners.

VALUE CREATED

Excess returns for securityholders, above our cost of capital, in a sustainable manner, with appropriate levels of gearing maintained.

HOW WE MEASURE VALUE

	FY23	FY22
EPS	**14.7 cpss**	15.1 cpss
DPS	**10.5 cpss**	10.2 cpss
TSR	**18.7%**[1]	(19.2%)[2]
ROIC	**(0.2%)**	6.9%

ASSESSMENT

Within target range

COMMENTARY

- We maintain a target gearing range of 20 to 30 per cent and an investment grade credit rating of A3 and A- from Moody's Investor Services and Fitch Ratings respectively.
- We achieved EPS of 14.7 cpss, in line with revised market guidance.
- We achieved DPS of 10.5 cpss, representing 2.9 per cent growth on FY22, and a payout ratio of 71 per cent, in line with our policy of 60 to 80 per cent.
- Our ROIC result was impacted by devaluations in our investment portfolio.

Read more about Financial performance at Mirvac on page 16.

OUR PILLARS OF VALUE

PLACE
ASSET CREATION AND CURATION

Our asset creation and curation capability delivers places that contribute to the vibrancy of our cities and improve people's lives.

VALUE CREATED

Modern, high-quality assets and projects that deliver NTA uplift, development profit, and stable, recurring income and management fees to the Group.

HOW WE MEASURE VALUE

	FY23	FY22
Investment		
NOI	**$633m**	$582m
Occupancy	**96.9%**	97.3%
WALE	**5.2 years**	5.6 years
WACR	**5.28%**	5.00%
CMU		
Development EBIT	**$214m**	$285m
NTA Uplift	**(5.4%)**	4.5%
Residential		
Sales	**1,638**	2,898
Settlements	**2,298**	2,523
Funds		
Third-party capital under management	**$17.1bn**	$10.2bn
Asset and funds under management EBIT	**$20m**	$2m

ASSESSMENT

Within target range

COMMENTARY

- In FY23, we combined our residential and commercial and mixed-use businesses under one division to allocate our capital more effectively and to better harness and utilise our creation skills.
- Our active commercial development pipeline has a total end value of $11.6bn and comprises large-scale urban renewal projects designed to support the growth and evolution of our cities.
- We advanced a number of Build to Rent and industrial projects in line with our stated objective to grow our exposure to the sectors.
- We have ~23,000 lots under control across apartments and masterplanned communities.
- Our Investment Division comprises four business streams that deliver stable, recurring income to the Group: Office, Retail, Industrial and Build to Rent. We have approximately $11.9bn of assets on our balance sheet.
- Mirvac currently has approximately $17.1bn in third-party capital under management with domestic and international partners, which is split between separately managed accounts, clubs, co-mingled funds and joint ventures across Office, Industrial and Build to Rent.
- We established two new managed investment vehicles during the financial year: the Build to Rent Venture, with well-capitalised and aligned cornerstone investors, including the Clean Energy Finance Corporation, and the Mirvac Industrial Venture, with the Australian Retirement Trust.

Read more about Asset Creation and Curation on pages 18 to 21.

1. 1 October 2020 to 30 June 2023.
2. 1 July 2019 to 30 June 2022.

Below target | Within target range | Above target

Remuneration report

2 OUR PILLARS OF VALUE AND THE LINK TO REMUNERATION OUTCOMES *continued*

OUR PILLARS OF VALUE

PEOPLE
PEOPLE, CULTURE AND SAFETY

Our people and culture are a source of competitive advantage in the delivery of our strategy and purpose.

VALUE CREATED

A culture that provides a competitive advantage and inspires our people to deliver on our goals and our urban strategy, while managing the risks to our business.

HOW WE MEASURE VALUE

	FY23	FY22
Employee engagement	**79%**	80%
Talent retention	**89%**	96%
LTIFR	**1.71**	1.18
CIFR	**0.11**	0.74
% of women in senior management	**43%**	44%

ASSESSMENT

Above target

COMMENTARY

> Ranked number one globally in Equileap's Global Report on Gender Equality for an historic second time in two years, demonstrating our ongoing committment to gender equality.

> Launched our first official LGBTQ+ working group, the Mirvac Pride Committee, consisting of LGBTQ+ colleagues and allies and announced a new partnership with The Pinnacle Foundation, which provides young LGBTQ+ Australians with educational scholarships and mentoring opportunities to help them realise their full potential. Through our partnership, we have established three property and construction scholarships.

> Secured internal candidates for 88 per cent of positions arising from changes to our organisational structure, demonstrating Mirvac's talent management and succession planning in action.

> We are also making significant inroads in our Women in Construction program. Through targeted efforts, women made up 32 per cent of new hires in construction in the past year, increasing their representation in that part of the business to 18 per cent, up from 15 per cent in FY22.

Read more about People, Culture and Safety at Mirvac on pages 22 to 25.

OUR PILLARS OF VALUE

PARTNERS
CUSTOMERS AND STAKEHOLDERS

The relationships we build as a trusted partner allow us to deliver on our ambition to *Reimagine Urban Life.*

VALUE CREATED

A trusted brand with a reputation for delivering quality products and services across each of our asset classes.

HOW WE MEASURE VALUE

	FY23	FY22
Net promoter score (NPS)		
Office tenant	**+39**	+40
Industrial tenant	**+57**	N/A
Retail consumer	**+52**	+56
Build to rent resident	**+27**	+24
Residential resident	**+60**	+60
Customer satisfaction		
Residential	**8.9/10**	8.9/10

ASSESSMENT

Within target range

COMMENTARY

> In FY23, we established a new customer and brand function that brings together the extensive work we do across the business to engage and inspire our customers.

> We rolled out an integrated stakeholder engagement framework that sets out the vision, principles and tools that guide our interactions with our stakeholders.

Read more about Customers and Stakeholders at Mirvac on pages 26 to 27.

Below target Within target range Above target

Remuneration report

2 OUR PILLARS OF VALUE AND THE LINK TO REMUNERATION OUTCOMES *continued*

OUR PILLARS OF VALUE

PLANET SUSTAINABILITY

Our rigorous focus on our environmental and social impact helps guide us to deliver outcomes that are planet positive and remain a global leader in ESG.

VALUE CREATED

A climate-resilient business that delivers assets and homes for our customers that are more sustainable and affordable to run, along with a positive community legacy.

HOW WE MEASURE VALUE

	FY23	FY22
Emissions performance	**Net positive carbon (Scope 1 and 2)**	Net positive carbon (Scope 1 and 2)
Water[1]	**922,906L**	650,824L
Waste diverted		
Construction	**95%**	94%
Operational	**68%**	68%
MSCI and Sustainalytics ratings	**AAA, Negligible risk**	AAA, Negligible risk
Social procurement spend[2]	**$9.2m**	$14m
Community investment delivered	**$13.9m**	$9.6m

ASSESSMENT

Within target range

COMMENTARY

Environmental

- Set scope 3 emissions target to be net positive by 2030, and released plan.
- Released fifth TCFD report and climate-related risks and opportunities.
- Average NABERS Star ratings: 5.2 Energy and 4.8 Water.
- Completed our first Green Star Home at Waverley Park, Victoria.
- Achieved net positive in scope 1 and 2 emissions for the second year.
- Recycling waste: 95 per cent construction and 68 per cent operations.

Social

- Set goal to invest at least $50m in Creating a Strong Sense of Belonging by 2025.
- Ranked #1 most gender equitable company in the world by Equileap.
- Investment in Reconciliation education and support of Indigenous artists.
- $13.9m in verified community investment; $9.2m spend on procurement with social and Indigenous businesses.
- Recognised by Good Company as one of the best workplaces to give back for the second year in a row.
- Held our biggest employee volunteering event to-date.
- Established community partnerships to build capacity in social enterprises and support LGBTQ+ young people in property and construction.

Governance

- Released fourth Modern Slavery Statement.
- First business in Australia to receive the Equifax 5 Gold Star iCIRT rating, demonstrating our capability to deliver trustworthy buildings.
- Recognised as a top Stewardship Leader by Stewardship Asia.
- Released Sustainable Finance Framework, with a third of our total debt facilities now certified as green loans.
- Top ESG index ratings: AAA (MSCI), 5 Star (UN principles for ResponsibleInvestment), Negligible Risk (Sustainalytics).
- Voluntarily disclosed through the Clean Energy Regulator Corporate Emissions Reductions Transparency pilot.
- Applied to be certified as a B-Corp force for good company.

Read more about Sustainability and ESG at Mirvac on pages 28 to 31.

1. Increase in FY23 largely due to the addition of the MWOF portfolio and Heritage Lanes, 80 Ann Street, Brisbane during the financial year.
2. Construction waste was particularly low in FY22. Construction waste depends on the type and stage of a project and will vary year on year. The proportion of recycled waste remains consistent with prior years.

Below target | Within target range | Above target

Remuneration report

2 OUR PILLARS OF VALUE AND THE LINK TO REMUNERATION OUTCOMES *continued*

HOW THE GROUP'S PERFORMANCE HAS TRANSLATED INTO STI AWARDS

Mirvac's financial performance directly affects the STI awards in two ways:

> **Gateway:** Group operating profit must be at least 90 per cent of plan before any STI payments are made

> **STI pool funding:** Subject to the gateway being met, the STI pool is funded up to a maximum of 6 per cent of operating profit.

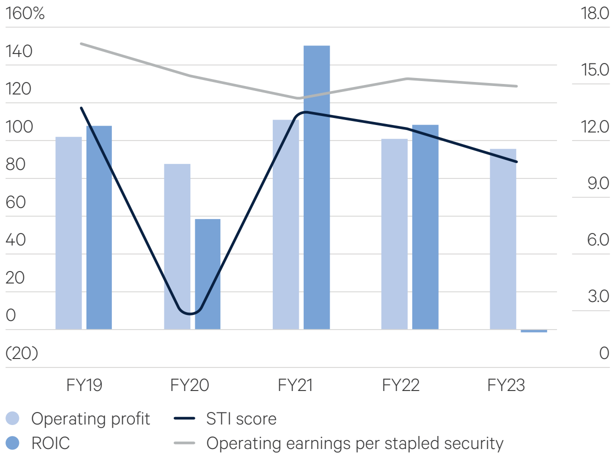
The Board then has discretion to moderate the calculated outcome based on achievement of strategic objectives.

The FY23 operating profit was above the gateway, and the HRC approved a Group STI score of 94.5 per cent (of a potential 150 per cent), down from 113 per cent in FY22.

This graph shows how the average STI outcome for all employees has been closely tied to financial performance on operating profit and ROIC.

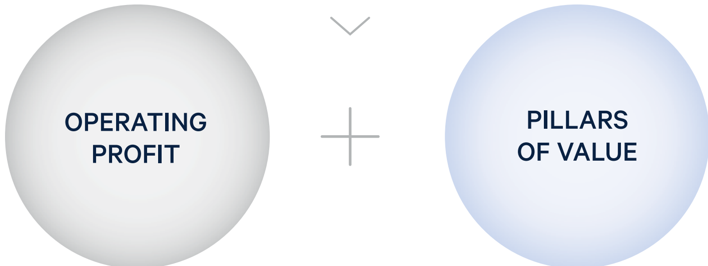
Financial performance in each case is expressed as a percentage of the business target set for the year, while the STI outcome represents the average STI award to participants that year as a percentage of target.

Financial performance vs. average STI outcome



The diagram below sets out Mirvac's performance and the resulting STI outcomes:

Gateway achieved (at least 90 per cent of target operating profit achieved)



STI pool funding: Subject to the gateway being met, the STI pool is funded up to a maximum of 6 per cent of operating profit.

Pool moderation: The HRC can moderate the score, up or down, based on achievement of strategic objectives to ensure STI awards are consistent with Mirvac's remuneration strategy, and is appropriately aligned to business performance, investor outcomes, and stakeholder expectations.

FY23 STI outcome: The HRC approved a Group STI score of 94.5 per cent of target (from a maximum potential pool of 150 per cent of target). FY23 cash STI pool – $34.5m (6 per cent of Mirvac's operating profit).

Fixed remuneration X Individual STI target X Group STI score (0-150%) X Individual STI score (0-150%) = Individual STI award (capped at 150% of target)

Each Executive KMP is awarded an individual STI score between zero and 150 per cent of their target. Scores are based on an assessment of their performance for the year against their individual objectives.

When determining executive remuneration outcomes, the Board use its judgement and oversight to consider a range of quantitative and qualitative factors to ensure outcomes align to business performance, investor outcomes, and stakeholder expectations.

STEP 1	STEP 2	STEP 3	STEP 4
Calculated STI pool outcomes	Assessment of Group scorecard outcomes	Consider other factors affecting performance that are not reflected in the scorecard	Apply judgement ensuring outcomes align to investor outcomes, stakeholder expectations, Mirvac Values

Remuneration report

2 OUR PILLARS OF VALUE AND THE LINK TO REMUNERATION OUTCOMES *continued*

HOW THE GROUP'S PERFORMANCE HAS TRANSLATED INTO LTP AWARDS

Mirvac's financial and security price performance directly affects the vesting of the LTP awards. For the FY21 award, 100 per cent of the LTP is subject to a relative TSR performance measure, with the Board having overarching discretion to ensure vesting outcomes are appropriately aligned to performance.

In the performance period to 30 June 2023, Mirvac's absolute TSR performance of 18.68 per cent was at the 57th percentile of the comparator group and as a result 64 per cent of the total FY21 LTP award vested.

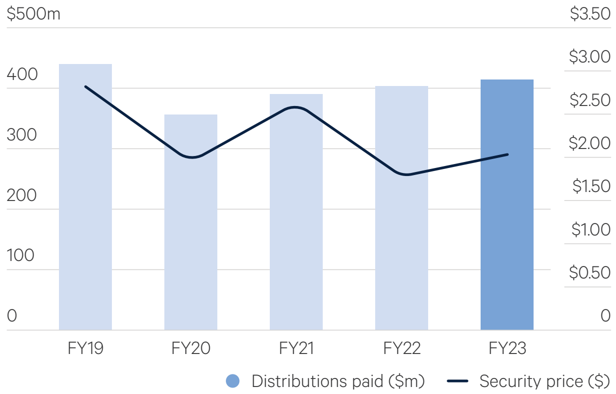
The diagram below sets out the Group's performance and the resulting LTP outcomes for the Executive KMP:

FY21 LTP grants to eligible participants and relative TSR performance hurdle set

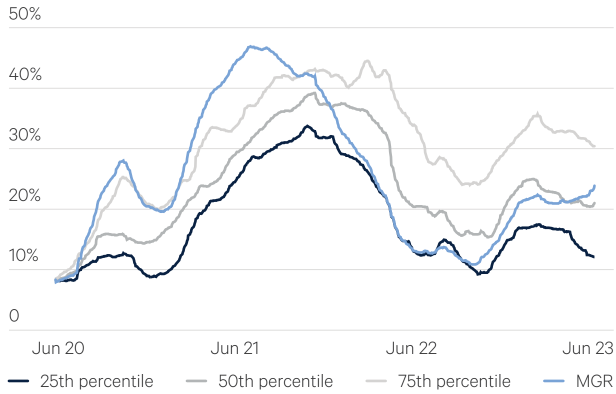
30 June 2023: performance period ends for the FY21 grant and performance is measured for relative TSR

Relative TSR

Mirvac's security price and distributions over the past five years



Mirvac's TSR (1 October 2020 to 30 June 2023)



Mirvac's absolute TSR performance of 18.68 per cent was at the 57th percentile of the comparator group

=

64 per cent of the total FY21 LTP award vested

Executive KMP vesting outcomes for the past three years

A summary of vesting under Mirvac's performance-based equity grants that have vested in the last three years is shown in the following table:

Grant year	Performance hurdle	Performance period	Performance period ended	Vested %
FY19	Relative TSR and ROIC	3 years	30 June 2021	76.0
FY20	Relative TSR and ROIC	3 years	30 June 2022	40.0
FY21	Relative TSR	2.75 years	30 June 2023	64.0

Past financial performance

The table below provides summary information on the Group's earnings and securityholders' wealth for the five years to 30 June 2023:

	FY23	FY22	FY21	FY20	FY19
Loss attributable to the stapled securityholders of Mirvac ($m)	**(165)**	906	827	558	1,019
Operating profit ($m)	**580**	596	550	602	631
Distributions paid ($m)	**414**	404	390	357	440
Security price at 30 June ($)	**2.26**	1.98	2.92	2.17	3.13
Statutory EPS – basic (cents)	**(4.2)**	23.0	21.0	14.2	27.6
Operating earnings per stapled security (EPS) – diluted (cents)	**14.7**	15.0	14.0	15.3	17.1

Remuneration report

3 EXECUTIVE REMUNERATION OUTCOMES

SUMMARY OF FY23 REMUNERATION

Group CEO/MD remuneration	The Group CEO/MD's remuneration as disclosed in the ASX appointment notice: **Fixed remuneration:** $1,500,000 per annum, inclusive of superannuation contributions. **Variable remuneration:** STI incentive opportunity at target of 100 per cent of fixed remuneration with a potential maximum of 150 per cent of fixed remuneration. The Board approved STI award will be delivered as 60 per cent cash (cash payment made in September, following the end of the financial year) and 40 per cent deferred into rights, vesting in two tranches: 50 per cent after one year and 50 per cent after two years. LTP award up to a maximum of 150 per cent of fixed remuneration. Campbell Hanan's STI opportunity and LTP award were apportioned based on his Head of Integrated Investment Portfolio role and Group CEO/MD role, with increased incentive opportunities effective 1 November 2022 to reflect the transitional responsibilities.
Fixed and total target remuneration	**Fixed remuneration** Campbell Hanan received a fixed pay increase from $950,000 to $1,500,000 effective 1 February 2023 in recognition of his appointment to Group CEO/MD. Courtenay Smith, CFO, received a fixed pay increase from $800,000 to $950,000 per annum and Stuart Penklis, CEO Development, received a fixed pay increase from $950,000 to $1,100,000 per annum both effective 1 January 2023. These increases reflect their expanded roles following the departure of Brett Draffen, with Courtenay Smith absorbing Brett's CIO duties under Group Advisory Solutions, and Stuart Penklis absorbing Brett's Commercial & Mixed-Use Development responsibilities under the Development Division. **Variable remuneration** In early FY23, a review was undertaken of the remuneration for Executives, and informed by external benchmarking data the STI targets for the Executives were increased from 70 per cent to 100 per cent of fixed remuneration, with the maximum reduced from 200 per cent of target to 150 per cent of target. The deferral component of the STI was increased from 25 per cent to 40 per cent. These changes were all effective 1 January 2023.
STI	A Group operating profit gateway is applied, such that no STI pool is funded unless operating profit is at least 90 per cent of plan. Subject to the gateway being met, the STI pool is funded up to a maximum of 6 per cent of operating profit. The STI pool in FY23 was driven by: > operating profit of $580m, down from $596m FY22 > performance against the scorecard of the strategic objectives (see pages 53 to 55). The FY23 operating profit was above the gateway, and the HRC approved a Group STI score of 94.5 per cent, down from 113 per cent in FY22. This outcomes reflects the more challenging financial performance balanced with the contribution of management to deliver outcomes.
LTP	Vesting of LTP grants is dependent on achieving relative TSR performance over the performance period, with the Board having overarching discretion to ensure vesting outcomes are appropriately aligned to performance. The performance period for the FY21 LTP completed on 30 June 2023. The FY21 LTP was subject to a single performance measure of relative TSR over the performance period starting 1 October 2022. Mirvac's absolute TSR performance of 18.68 per cent was at the 57th percentile of the comparator group, resulting in total vesting of the FY21 LTP of 64 per cent for Executives.

EXECUTIVE KMP STI AWARDS IN FY23

The following table shows the actual STI outcomes (including any deferred component) for each of the Executive KMP for FY23:

Executive KMP	STI target % of fixed remuneration[1]	STI max % of fixed remuneration[2]	Actual STI % max	STI forfeited % max	Actual STI (total) $
Campbell Hanan	100	150	63	37	1,154,475
Courtenay Smith	100	150	63	37	763,088
Scott Mosely[3]	100	150	63	37	417,411
Stuart Penklis[4]	100	150	63	37	1,039,500
Richard Seddon	100	150	69	31	366,597
Former Executive KMP					
Susan Lloyd-Hurwitz	80	160	59	41	1,134,000

1. STI targets were increased to 100 per cent, from 70 per cent, effective 1 January 2023. With the exception the STI target increase was effective 1 July 2022 for Stuart Penklis and 1 November 2022 for Campbell Hanan.
2. STI maximum was reduced to 150 per cent of STI target, down from 200 per cent of STI target.
3. Scott Mosely commenced employment with Mirvac as CEO, Funds Management on 28 November 2022. Fixed remuneration has been pro-rated for the period of the year worked.
4. Stuart Penklis received an additional amount of $207,900, as agreed in 2022, which is equivalent to 20 per cent of his FY23 STI in recognition for facilitating a smooth transition and providing stability in the leadership team following the departures of Brett Draffen and Susan Lloyd-Hurwitz, and the consolidation of CMU and Residential into the new Development Division. This additional award will be delivered as 60 per cent cash, with the remaining 40 per cent deferred.

Remuneration report

3 EXECUTIVE REMUNERATION OUTCOMES *continued*

ACTUAL REMUNERATION RECEIVED IN FY23

The following table sets out the actual value of the remuneration received by Executive KMP members during the year.

The figures in this table are different from those shown in the accounting table on the next page which includes an apportioned accounting value for all unvested STI and LTP grants during the year (some of which remain subject to satisfaction of performance and service conditions and may not ultimately vest). The table below, on the other hand, shows:

> **cash STI:** the cash portion of any STI payments to be made in September 2023 in recognition of performance during FY23

> **deferred STI vested:** the value of the deferred STI from prior years that vested in FY23 (being the number of rights that vested multiplied by the security price on the vesting date)

> **LTP vested:** the value of performance rights whose performance period ended 30 June 2023 (being the number of performance rights that vested multiplied by the security price on 30 June 2023, being the last business day of the performance period).

Actual remuneration received in FY23

	Year	Fixed remuneration $	Cash STI $	Deferred STI vested $	LTP vested $	Other[1] $	Total $
Executive KMP							
Campbell Hanan[2]	**FY23**	**1,179,167**	**692,685**	**103,662**	**310,668**	**26,694**	**2,312,876**
	FY22	950,000	704,485	92,797	108,492	15,446	1,871,220
Courtenay Smith[3]	**FY23**	**875,000**	**457,853**	**101,288**	**130,807**	**14,962**	**1,579,910**
	FY22	800,000	498,330	112,821	—	12,627	1,423,778
Scott Mosely[4]	**FY23**	**449,091**	**246,929**	**—**	**—**	**9,492**	**705,512**
	FY22	—	—	—	—	—	—
Stuart Penklis[5]	**FY23**	**1,025,000**	**623,700**	**87,294**	**261,615**	**142,203**	**2,139,812**
	FY22	800,000	593,250	92,797	108,492	17,383	1,611,922
Richard Seddon[6]	**FY23**	**556,667**	**276,507**	**—**	**88,294**	**10,416**	**931,884**
	FY22	—	—	—	—	—	—
Former Executive KMP							
Susan Lloyd-Hurwitz[7]	**FY23**	**1,500,000**	**1,134,000**	**187,061**	**1,471,585**	**587,549**	**4,880,195**
	FY22	1,500,000	1,169,315	193,457	610,274	24,617	3,497,663
Brett Draffen[8]	**FY23**	**475,000**	**—**	**118,472**	**559,201**	**578,016**	**1,730,689**
	FY22	950,000	676,305	124,254	231,904	15,768	1,998,231

1. Includes long service leave accrued during the year. For Stuart Penklis, Other includes an additional amount, as agreed with Stuart in 2022, equivalent to 20 per cent of his FY23 STI in recognition for facilitating a smooth transition and providing stability in the leadership team following the departures of Brett Draffen and Susan Lloyd-Hurwitz, and the consolidation of CMU and Residential into the new Development Division. For Susan Lloyd-Hurwitz and Brett Draffen, Other reflects the accrued annual leave and long service leave paid upon termination of employment.
2. Campbell Hanan was appointed Group CEO/MD effective 1 March 2023 and received a fixed remuneration increase from $950,000 to $1,500,000 per annum effective 1 February 2023.
3. Courtenay Smith received a fixed remuneration increase from $800,000 to $950,000 per annum effective 1 January 2023.
4. Scott Mosely commenced employment with Mirvac as CEO, Funds Management on 28 November 2022.
5. Stuart Penklis received a fixed remuneration increase from $950,000 to $1,100,000 per annum effective 1 January 2023.
6. Richard Seddon commenced his role and therefore became an Executive KMP on 1 March 2023.
7. Susan Lloyd-Hurwitz ceased employment with Mirvac on 30 June 2023.
8. Brett Draffen ceased employment with Mirvac on 31 December 2022.

Remuneration report

3 EXECUTIVE REMUNERATION OUTCOMES *continued*

TOTAL REMUNERATION IN FY23

The following statutory table shows the total remuneration for the Executive KMP for FY22 and FY23. These disclosures are calculated in accordance with the accounting standards and accordingly differ from the information presented in the actual remuneration received in FY23 table on page 59.

		Short-term benefits			Post-employment	Security-based payments		Other long-term benefits			
	Year	Cash salary and fees[1] $	Cash STI[2] $	Non-cash benefits[3] $	Superannuation contributions $	Value of LTP rights[4] $	Value of Deferred STI rights[4] $	Long service leave[5] $	Termination benefits[6] $	Total remuneration $	Performance related
Executive KMP											
Campbell Hanan	**FY23**	**1,153,874**	**692,685**	**2,106**	**25,292**	**676,408**	**373,143**	**24,588**	**—**	**2,948,096**	**59%**
	FY22	926,432	704,485	—	23,568	309,000	239,017	15,446	—	2,217,948	56%
Courtenay Smith	**FY23**	**831,830**	**457,853**	**17,878**	**25,292**	**249,648**	**250,355**	**14,962**	**—**	**1,847,818**	**52%**
	FY22	765,109	498,330	11,323	23,568	142,074	209,719	12,627	—	1,662,750	51%
Scott Mosely[7]	**FY23**	**430,509**	**246,929**	**2,082**	**18,682**	**104,885**	**68,591**	**7,410**	**—**	**878,988**	**48%**
	FY22	—	—	—	—	—	—	—	—	—	—
Stuart Penklis	**FY23**	**1,085,936**	**748,440**	**17,878**	**25,292**	**331,871**	**360,094**	**17,463**	**—**	**2,586,974**	**56%**
	FY22	766,696	593,250	14,453	23,568	272,617	201,278	12,666	—	1,884,528	57%
Richard Seddon[8]	**FY23**	**531,374**	**276,507**	**—**	**25,292**	**132,637**	**37,538**	**10,416**	**—**	**1,013,764**	**44%**
	FY22	—	—	—	—	—	—	—	—	—	—
Former Executive KMP											
Susan Lloyd-Hurwitz[9]	**FY23**	**1,474,708**	**1,134,000**	**—**	**25,292**	**1,583,249**	**370,262**	**24,588**	**562,961**	**5,175,060**	**60%**
	FY22	1,476,432	1,169,315	—	23,568	1,533,475	431,313	24,617	—	4,658,720	67%
Brett Draffen[10]	**FY23**	**457,843**	**—**	**45,343**	**12,646**	**601,634**	**213,194**	**—**	**537,184**	**1,867,844**	**44%**
	FY22	917,410	676,305	9,494	23,568	718,938	314,172	15,296	—	2,675,183	64%

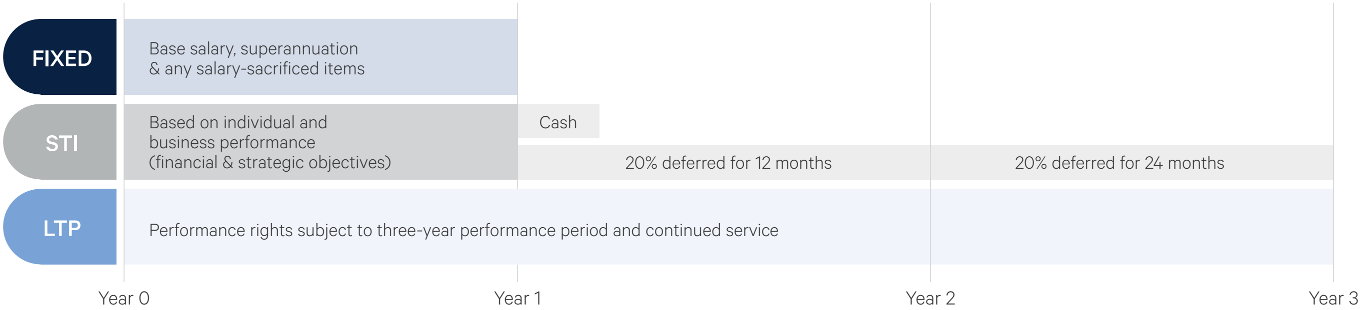
1. Cash salary and fees includes accrued annual leave paid out as part of salary.
2. Cash STI relates to cash portion of STI awards accrued for the relevant year and payable in September following the end of the relevant financial year.
3. Non-cash benefits include salary-sacrificed benefits and related fringe benefits tax where applicable.
4. Valuation of rights is conducted by an independent advisor.
5. Long service leave relates to amounts accrued during the year.
6. Termination benefits for Susan Lloyd-Hurwitz and Brett Draffen reflects the accrued annual leave and long service leave paid upon termination of employment.
7. Scott Mosely commenced employment with Mirvac as CEO, Funds Management on 28 November 2022.
8. Richard Seddon commenced his role and therefore became an Executive KMP on 1 March 2023.
9. Susan Lloyd-Hurwitz ceased employment with Mirvac on 30 June 2023. In accordance with accounting standards, the expense has been accelerated for any unvested awards that were retained as per the termination treatment under the LTP Plan Rules.
10. Brett Draffen ceased employment with Mirvac on 31 December 2022. In accordance with accounting standards, the expense has been accelerated for any unvested awards that were retained as per the termination treatment under the LTP Plan Rules.

Remuneration report

4 EXECUTIVE KMP REMUNERATION

REMUNERATION DELIVERY

The graphs below set out the remuneration structure so that a substantial portion of remuneration is delivered as equity through STI and LTP, encouraging an ownership mindset and aligning the interests of the executives with those of our securityholders:



REMUNERATION MIX

Mirvac's executive remuneration approach is strongly performance focused. A significant proportion of executive remuneration is based on sustained performance, aligned with the business strategy.

Executive remuneration at Mirvac is:

> performance based:
  – the remuneration package for the Group CEO/MD is 71 per cent performance related pay
  – the remuneration package for other Executive KMP is 60 per cent performance related pay; and is therefore at risk

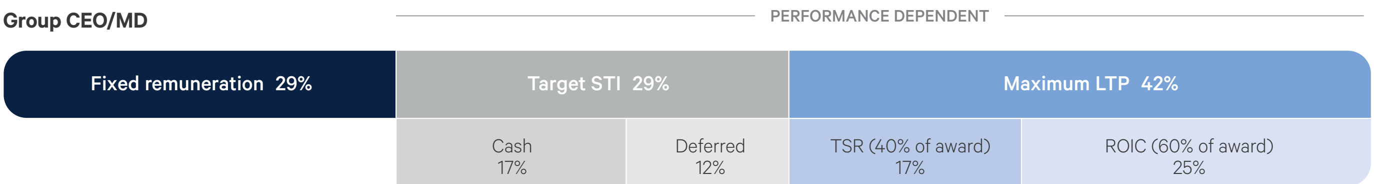
> equity focused:
  – 55 per cent of the Group CEO/MD's total remuneration is paid in equity
  – about one-third of other Executive KMP members' total remuneration is paid in equity

> encouraging an ownership mindset through equity-based incentives (above) and minimum securityholding requirements:
  – the Group CEO/MD is required to hold 150 per cent of fixed remuneration as Mirvac securities
  – other Executive KMP are required to hold 100 per cent of their fixed remuneration as Mirvac securities

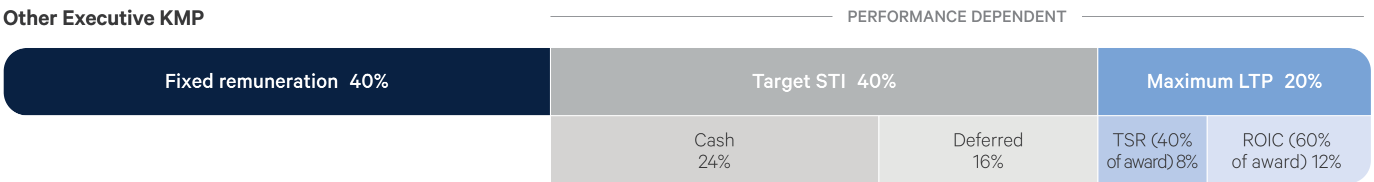
> multi-year focused:
  – STI is deferred in two equal tranches, with 50 per cent deferred for 12 months and 50 per cent deferred for 24 months
  – LTP performance is measured over a three-year period.

The graphs below set out the remuneration mix for the Group CEO/MD and other Executive KMP members at Mirvac:

Group CEO/MD



Other Executive KMP



Remuneration report

4 EXECUTIVE KMP REMUNERATION *continued*

FIXED REMUNERATION: HOW DOES IT WORK?

Purpose Attract and retain talented employees capable of delivering business performance.

Components Fixed remuneration includes cash salary, compulsory superannuation contributions and any salary-sacrificed items (including fringe benefits tax).

Benchmarking The Board engages its independent remuneration advisor to provide external remuneration benchmarking data as input into setting remuneration for Executive KMP, ensuring that remuneration remains competitive. When determining the relevant market for each role, Mirvac considers the companies from which it sources talent, and to whom it could potentially lose talent:

For business roles

> primary comparison group: the A-REIT, plus Lendlease

> secondary comparison group: general industry with a similar market capitalisation (50 per cent to 200 per cent of Mirvac's 12-month average market capitalisation).

For corporate roles

> primary comparison group: general industry with a similar market capitalisation (50 per cent to 200 per cent of Mirvac's 12-month average market capitalisation). The use of general industry reflects the greater transferability of skills for these roles

> secondary comparison group: specific peers in the A-REIT, plus Lendlease.

STI: HOW DOES IT WORK?

Purpose Motivate and reward employees for contributing to the delivery of annual business performance.

Value

	Target	Maximum
Group CEO/MD	100% of fixed remuneration	150% of fixed remuneration
Other Executive KMP	100% of fixed remuneration	150% of fixed remuneration

Group STI scorecard/ pool funding

Gateway: Group operating profit must be at least 90 per cent of plan before any STI payments are made.

STI pool funding: Subject to the gateway being met, the STI pool is funded up to a maximum of 6 per cent of operating profit.

Pool moderation: The Board has discretion to moderate the above calculated outcome based on achievement of strategic objectives (see below). The objectives are quantitative in nature and are set in line with the short- and medium-term strategic objectives.

Scorecard

At the start of the year, a scorecard of objectives is agreed with management. At the end of the year, the Board makes a rigorous assessment, taking into account quantitative and qualitative factors. The Board has discretion to increase or decrease the pool funding taking into account performance against these strategic objectives and the Group's risk framework and tolerance.

OUR PILLARS OF VALUE		VALUE CREATED	HOW WE MEASURE VALUE
PERFORMANCE **FINANCIAL**	Having diversified and appropriately balanced sources of capital, including third-party capital, equity and debt, helps us execute on our urban strategy and deliver sustainable returns to our securityholders and capital partners.	Excess returns for securityholders, above our cost of capital, in a sustainable manner, with appropriate levels of gearing maintained.	> Return on Invested Capital > Total shareholder return > Earnings per share > Distributions per share
PLACE **ASSET CREATION AND CURATION**	Our asset creation and curation capability delivers places that contribute to the vibrancy of our cities and improve people's lives.	Modern, high-quality assets and projects that deliver NTA uplift, development profit, and stable, recurring income and management fees to the Group.	> Investment: Occupancy, WALE, WACR and NOI > Development: Development EBIT and NTA uplift > Funds Management: Assets under management, and asset and funds under management profit
PEOPLE **PEOPLE, CULTURE AND SAFETY**	Our people and culture are a source of competitive advantage in the delivery of our strategy and purpose.	A culture that provides a competitive advantage and inspires our people to deliver on our goals and our urban strategy, while managing the risks to our business.	> Employee engagement > Talent retention > Lost Time Injury Frequency Rate (LTIFR) and Critical Injury Frequency Rate (CIFR) > % of women in senior management roles
PARTNERS **CUSTOMERS AND STAKEHOLDERS**	The relationships we build as a trusted partner allow us to deliver on our ambition to *Reimagine Urban Life*.	A trusted brand with a reputation for delivering quality products and services across each of our asset classes.	> Net promoter scores > Customer satisfaction
PLANET **SUSTAINABILITY**	Our rigorous focus on our environmental and social impact helps guide us to deliver outcomes that are planet positive and remain a global leader in ESG.	A climate-resilient business that delivers assets and homes for our customers that are more sustainable and affordable to run, along with a positive community legacy.	> Water, waste and emissions performance > MSCI and Sustainalytics ratings > Social procurement spend > Community investment delivered

Remuneration report

4 EXECUTIVE KMP REMUNERATION *continued*

STI: HOW DOES IT WORK? *continued*

Individual performance objectives	Each Executive KMP agrees an individual scorecard of performance objectives at the start of the year against which their performance will be assessed. Individual performance objectives are set based on the specific responsibilities for each role and include specific risk objectives, and an assessment by the HRC at year end on risk leadership and risk outcomes.
Performance assessment	When determining executive remuneration outcomes, the Board uses its judgement and oversight to consider a range of quantitative and qualitative factors to ensure outcomes align to business performance, investor outcomes, and stakeholder expectations. Individual awards are proposed by the Group CEO/MD, endorsed by the HRC and approved by the Board. For the Group CEO/MD, the HRC proposes the STI award for Board approval. Risk considerations: the HRC, in determining the remuneration outcomes, makes an overall assessment of how each individual ELT member had managed risk before approving individual STI outcomes. This is an assessment of risk culture and compliance, including training and open audit items, with a broad view of risk including financial and non-financial risks and reputation matters.
Delivery/ deferral	For Executive KMP: > 60 per cent is paid as cash > 40 per cent of any STI award is deferred into performance rights over Mirvac securities (granted on the same date as the cash payment is made). The rights vest in two tranches: 50 per cent after one year and 50 per cent after two years. If the deferred rights vest, entitlements are satisfied by the purchase of existing securities on-market. Executives are expected to retain the resulting securities they receive until they satisfy the minimum securityholding guidelines.
Termination/ forfeiture	The deferred portion of a STI award is forfeited if an employee resigns or is dismissed for performance reasons prior to the vesting date. Unvested deferred STI awards may be retained if an employee leaves due to circumstances such as retirement, redundancy, agreed transfer to an investment partner, total and permanent disablement or death.
Clawback policy	The policy gives the Board the ability to claw back incentives in the event of a material financial misstatement, any misconduct that is, or may be, harmful to the Group, and/or gross negligence.
Hedging	Consistent with the *Corporations Act 2001*, participants are prohibited from hedging their unvested performance rights.

LTP: HOW DOES IT WORK?

Purpose	Assist in attracting and retaining the required executive talent; focus executive attention on driving sustainable long-term growth; and align the interests of executives with those of securityholders.
Value	The maximum LTP opportunity during FY23 was equivalent to: Group CEO/MD — 150 per cent of fixed remuneration Other Executive KMP — 50 per cent of fixed remuneration
Instrument	Awards under this plan are made in the form of performance rights. A performance right is a right to acquire one fully paid Mirvac security provided a specified performance hurdle is met. No dividends/distributions are paid on unvested LTP awards. This ensures that Executives are only rewarded when performance hurdles have been achieved at the end of the performance period.
Grant value/price	The average security price for the month leading up to grant, discounted for the assumed value of dividends and distributions not paid during the three-year performance period. The grant price for allocation purposes is not reduced based on performance conditions.
Performance period	Performance is measured over a three-year period. The FY23 grant has a performance period commencing 1 July 2022 and ending 30 June 2025.
Performance hurdle for FY23 grant	The HRC reviews the performance conditions annually to determine the appropriate hurdles based on Mirvac's strategy and prevailing market practice. Two performance measures apply to the LTP grants made during FY23: **Relative TSR** (40 per cent of the LTP allocation): Relative TSR is used because it is an objective measure of securityholder value creation and is widely understood and accepted by the various key stakeholders. Mirvac's TSR performance is measured relative to a comparison group consisting of Mirvac's primary market competitors (the A-REIT) as this is aligned to the peer group in which we compete for capital. **ROIC** (60 per cent of the LTP allocation): ROIC is used because it is aligned to Mirvac's strategic drivers, in particular financial performance and capital efficiency. ROIC is calculated as Total Return divided by average Invested Capital. The vesting schedule set out below reflects the Board's view that vesting of the ROIC component ought to commence on the achievement of Mirvac's WACC, the point at which management creates value for securityholders, with full vesting on achieving a premium above WACC. The premium to WACC for the ROIC component of the FY23 award was 1 per cent, which at the time represented both significant stretch and value creation for securityholders. After calculating the outcome based on the vesting schedule detailed below, the Board shall have +/-20 per cent discretion to adjust the vesting outcomes for the ROIC performance hurdle to ensure vesting outcomes reflect management's performance over the performance period.

Remuneration report

4 EXECUTIVE KMP REMUNERATION *continued*

LTP: HOW DOES IT WORK? *continued*

Vesting schedule for FY23 grant

Relative TSR (percentile)	Percentage of TSR-tested rights to vest
< 50th	Nil
50th	50%
> 50th to 75th	Pro-rata between 50% and 100%
75th and above	100%

Average annual ROIC (%)	Percentage of ROIC-tested rights to vest
< WACC	Nil
Between WACC and WACC + 0.2%	Pro-rata between 0% and 50%
Between WACC + 0.2% and WACC + 0.4%	Pro-rata between 50% and 75%
Between WACC + 0.4% and WACC + 1.0%	Pro-rata between 75% and 100%
> WACC + 1.0%	100%

Vesting/ delivery	Vesting of LTP grants is dependent on achieving relative TSR performance and ROIC targets over the period 1 July 2022 to 30 June 2025, with the Board having overarching discretion to ensure vesting outcomes are appropriately aligned to performance. The performance rights will automatically exercise if and when the Board determines the performance conditions are achieved. If the performance rights vest, entitlements are satisfied by either an allotment of new securities to participants or by the purchase of existing securities on-market. Any performance rights that do not vest at the end of the performance period will lapse. There is no re-testing. Executive KMP members will be expected to retain the resulting securities until they satisfy the minimum securityholding guidelines.
Termination/ forfeiture	Resignation or dismissal: all unvested performance rights are forfeited. Retirement, redundancy, agreed transfer to an investment partner, total and permanent disablement or death: the HRC determines the number of rights that will lapse or are retained, subject to both the original performance period and hurdles. Change of control event: the Board, in its absolute discretion, determines the number of performance rights that vest, if any, taking into account the performance from the date of grant to the event.
Clawback policy	The policy gives the Board the ability to claw back incentives in the event of a material financial misstatement, any misconduct that is, or may be, harmful to the Group, and/or gross negligence.
Dilution	Dilution that may result from securities being issued under Mirvac's LTP plan is capped at the limit set out in ASIC Class Order 14/1000, which provides that the number of unissued securities under those plans must not exceed 5 per cent of the total number of securities of that class as at the time of the relevant offer.
Hedging	Consistent with the *Corporations Act 2001*, participants are prohibited from hedging their unvested performance rights.

SERVICE AGREEMENTS FOR EXECUTIVE KMP

Each Executive KMP member, including the Group CEO/MD, has a formal contract, known as a service agreement. These agreements are of a continuing nature and have no fixed term of service.

There were no changes to the service agreements for Executive KMP in FY23.

The key terms of the service agreements for the Group CEO/MD and other Executive KMP members are summarised below:

		Notice period		
	Contract term	Employee	Group	Maximum termination payment[1]
Group CEO/MD	No fixed term	6 months	6 months	6 months
Other Executive KMP	No fixed term	3 months	3 months	9 months

1. Payable if Mirvac terminates employee with notice, for reasons other than unsatisfactory performance.

Remuneration report

5 EQUITY INSTRUMENT DISCLOSURES

LTP GRANTS IN FY23

The table below shows LTP grants made during FY23, subject to performance conditions over the performance period 1 July 2022 to 30 June 2025. Accounting standards require the estimated valuation of the grants be recognised over the performance period. The minimum value of the grant is nil if the vesting conditions are not met. The maximum value is based on the estimated fair value calculated at the time of the grant and amortised in accordance with the accounting standard requirements.

Executive KMP	LTP max as a % of fixed remuneration	Performance measure	Number of performance rights granted	Fair value per performance right $	Maximum total value of grant[1] $
Campbell Hanan		Relative TSR	381,225	1.27	484,537
		ROIC	571,839	1.49	853,416
Total	**150**		**953,064**		**1,337,953**
Courtenay Smith		Relative TSR	91,954	1.27	116,874
		ROIC	137,931	1.49	205,849
Total	**50**		**229,885**		**322,723**
Scott Mosely		Relative TSR	89,654	1.27	113,950
		ROIC	134,483	1.49	200,703
Total	**50**		**224,137**		**314,653**
Stuart Penklis		Relative TSR	117,816	1.27	149,744
		ROIC	176,724	1.49	263,744
Total	**50**		**294,540**		**413,488**
Richard Seddon[2]		Individual Performance	35,172	1.99	69,988
		ROIC	52,759	1.49	78,738
Total	**30**		**87,931**		**148,726**

1. The value of performance rights reflects the fair value at the time of grant. For the LTP grants subject to ROIC, 75 per cent vesting is assumed in the above valuation.
2. The LTP award for Richard Seddon was granted prior to him commencing his role as CEO, Investments and becoming an Executive KMP.

Key inputs used in valuing performance rights granted during FY23 were as follows:

Grant date	2 December 2022
Performance hurdles	Relative TSR and ROIC
Performance period start	1 July 2022
Performance period end	30 June 2025
Security price at grant date	$2.24

Exercise price	$nil
Expected life	2.6 years
Volatility	28.40%
Risk-free interest rate (per annum)	3.02%
Dividend/distribution yield (per annum)	4.55%

The valuation of rights is conducted by an independent advisor. The fair value is determined using a Monte Carlo simulation for the relative TSR component and a binomial tree methodology for the ROIC component.

SECURITYHOLDINGS

Executives are expected to establish and maintain a minimum securityholding (excluding performance rights) to the value of 150 per cent of fixed remuneration for the Group CEO/MD and 100 per cent of fixed remuneration for all other Executives. Executives have five years from the date they commenced their role on the ELT, or the date of a remuneration change, to build up their securityholding to the expected level.

As at 30 June 2023, the number of ordinary securities in Mirvac held by Executive KMP, including their personally related parties, is set out below:

Executive KMP	Balance 1 July 2022	Changes	Balance 30 June 2023	Value 30 June 2023 $	Minimum securityholding guideline $	Date securityholding to be attained
Campbell Hanan	490,344	80,000	570,344	1,288,977	2,250,000	March 2028
Courtenay Smith	45,218	55,087	100,305	226,689	950,000	January 2028
Scott Mosely	—	—	—	—	780,000	November 2027
Stuart Penklis	342,275	85,411	427,686	966,570	1,100,000	January 2028
Richard Seddon[1]	—	36,985	36,985	83,586	650,000	March 2028

1. Richard Seddon commenced his role and therefore became an Executive KMP on 1 March 2023. Changes reflects securities already held.

Remuneration report

5 EQUITY INSTRUMENT DISCLOSURES *continued*

OPTIONS

No options (i.e. a right to acquire a security upon payment of an exercise price) were granted as remuneration during FY23 and no unvested or unexercised options are held by Executive KMP as at 30 June 2023.

PERFORMANCE RIGHTS HELD DURING THE YEAR

The number of performance rights in Mirvac held during the year by each Executive KMP, including their personally related parties, is set out below:

		LTP		Deferred STI		
Executive KMP	Balance 1 July 2022	Rights issued	Rights vested/ forfeited relating to performance period ended 30 June 2023	Rights issued	Rights vested/ forfeited	Balance 30 June 2023
Campbell Hanan	496,140	953,064	(214,787)	119,202	(50,192)	1,303,427
Courtenay Smith	307,787	229,885	(90,436)	84,319	(55,087)	476,468
Scott Mosely	—	224,137	—	—	—	224,137
Stuart Penklis	417,802	294,540	(180,873)	100,380	(42,267)	589,582
Richard Seddon [1]	115,341	87,931	(61,044)	—	—	142,228

1. Richard Seddon commenced his role and therefore became an Executive KMP on 1 March 2023. Opening balance has been adjusted to reflect performance rights already held.

Details of the movement in the number and value of performance rights held by Executive KMP during the year are set out below:

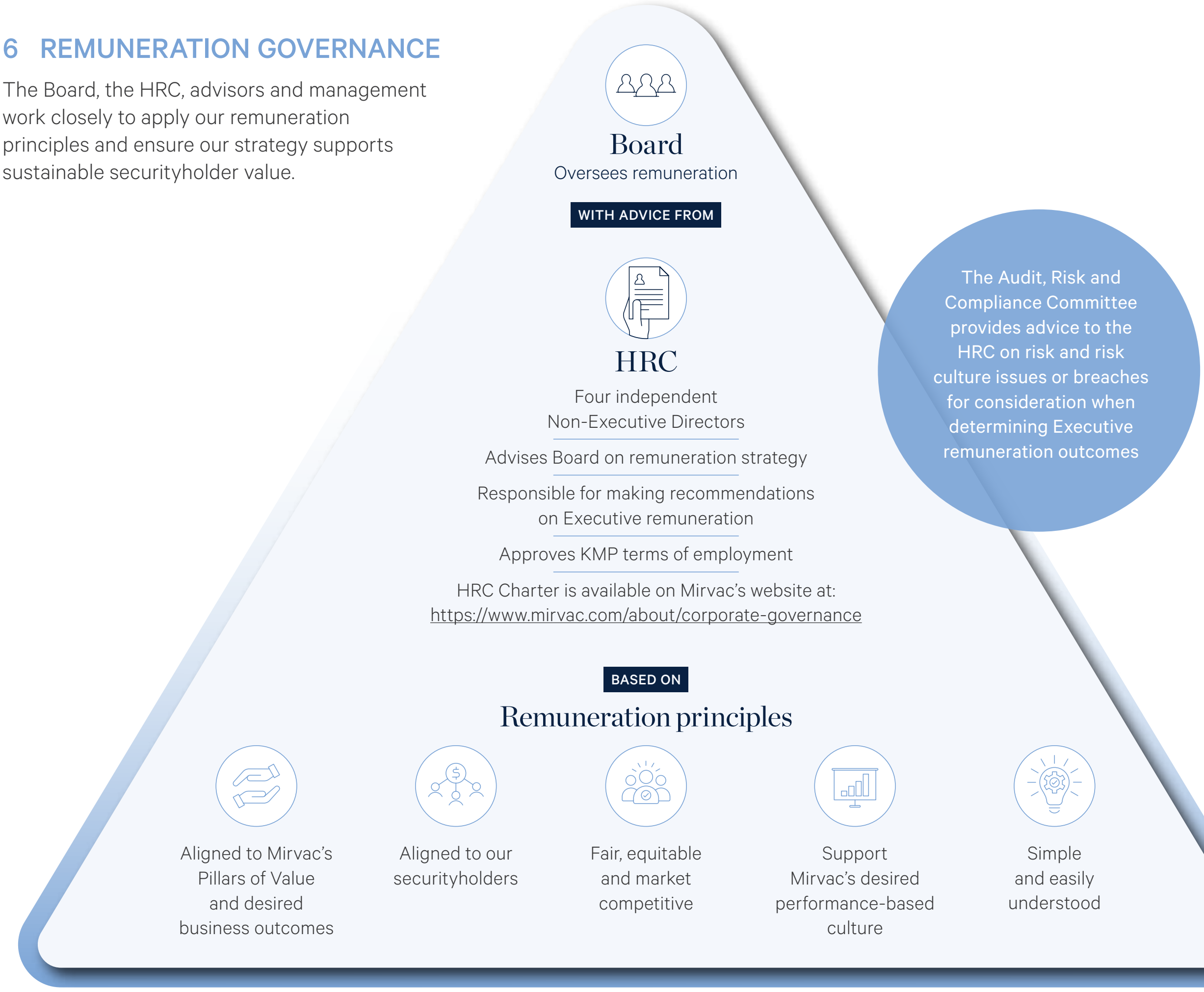
					Vested				Lapsed		
Executive KMP	Plan	Grant date	Number of rights granted	Value at grant date [1]	Vesting date	Number of rights	% of total grant	Value of rights	Number of rights	% of total grant	Value of rights
Campbell Hanan	LTP	3 Dec 20	214,787	348,170	30 Jun 23	137,463	64%	222,829	77,324	36%	125,341
	STI	31 Aug 21	50,192	151,693	31 Aug 22	50,192	100%	151,693	—	0%	—
	STI	31 Aug 21	50,192	146,941	31 Aug 23	—	—	—	—	—	—
	LTP	30 Nov 21	180,969	311,451	30 Jun 24	—	—	—	—	—	—
	STI	31 Aug 22	59,601	119,492	31 Aug 23	—	—	—	—	—	—
	STI	31 Aug 22	59,601	114,079	31 Aug 24	—	—	—	—	—	—
	LTP	2 Dec 22	953,064	1,337,953	30 Jun 25	—	—	—	—	—	—
Total			**1,568,406**	**2,529,779**		**187,655**		**374,522**	**77,324**		**125,341**
Courtenay Smith	STI	26 Mar 21	45,218	103,233	8 Mar 23	45,218	100%	103,233	—	0%	—
	LTP	26 Mar 21	90,436	127,515	30 Jun 23	57,879	64%	81,610	32,557	36%	45,905
	STI	31 Aug 21	9,869	29,827	31 Aug 22	9,869	100%	29,827	—	0%	—
	STI	31 Aug 21	9,869	28,892	31 Aug 23	—	—	—	—	—	—
	LTP	30 Nov 21	152,395	262,274	30 Jun 24	—	—	—	—	—	—
	STI	31 Aug 22	42,160	84,525	31 Aug 23	—	—	—	—	—	—
	STI	31 Aug 22	42,159	80,694	31 Aug 24	—	—	—	—	—	—
	LTP	2 Dec 22	229,885	322,723	30 Jun 25	—	—	—	—	—	—
Total			**621,991**	**1,039,683**		**112,966**		**214,670**	**32,557**		**45,905**
Scott Mosely	LTP	2 Dec 22	224,137	314,653	30 Jun 25	—	—	—	—	—	—
Total			**224,137**	**314,653**							
Stuart Penklis	LTP	3 Dec 20	180,873	293,195	30 Jun 23	115,758	64%	187,645	65,115	36%	105,550
	STI	31 Aug 21	42,267	127,742	31 Aug 22	42,267	100%	127,742	—	0%	—
	STI	31 Aug 21	42,267	123,740	31 Aug 23	—	—	—	—	—	—
	LTP	30 Nov 21	152,395	262,274	30 Jun 24	—	—	—	—	—	—
	STI	31 Aug 22	50,190	100,624	31 Aug 23	—	—	—	—	—	—
	STI	31 Aug 22	50,190	96,066	31 Aug 24	—	—	—	—	—	—
	LTP	2 Dec 22	294,540	413,488	30 Jun 25	—	—	—	—	—	—
Total			**812,722**	**1,417,129**		**158,025**		**315,387**	**65,115**		**105,550**
Richard Seddon	LTP	3 Dec 20	61,044	117,840	30 Jun 23	47,858	78%	96,467	13,186	22%	21,373
	LTP	30 Nov 21	54,297	120,633	30 Jun 24	—	—	—	—	—	—
	LTP	2 Dec 22	87,931	148,726	30 Jun 25	—	—	—	—	—	—
Total			**203,272**	**387,199**		**47,858**		**96,467**	**13,186**		**21,373**

1. The calculation of the value of performance rights used the fair value as determined at the time of grant. For the LTP grants subject to ROIC performance, the initial accounting treatment assumes 75 per cent vesting, which is reflected in the above valuation.

Remuneration report

6 REMUNERATION GOVERNANCE

The Board, the HRC, advisors and management work closely to apply our remuneration principles and ensure our strategy supports sustainable securityholder value.



EXTERNAL ADVISORS

The HRC has appointed EY as its external remuneration advisor. EY provides both information on current market practice and independent input into key remuneration decisions.

EY's terms of engagement include specific measures designed to protect its independence. To effectively perform its role, EY needs to interact with members of Mirvac management, particularly those in the Human Resources team. However, to ensure independence, members of Mirvac's management are precluded from requesting services that would be considered to be a 'remuneration recommendation' as defined by the *Corporations Act 2001*.

During FY23, EY provided the HRC with regulatory updates and market trend analysis.

No remuneration recommendations were provided by EY or any other advisor during the year.

MINIMUM SECURITYHOLDING

Mirvac has adopted a minimum securityholding requirement of:

> 150 per cent of fixed remuneration for the Group CEO/MD

> 100 per cent of fixed remuneration for other Executives

> 100 per cent of base fees for Non-Executive Directors.

Any purchases of Mirvac securities are subject to the Security Trading Policy.

The Minimum Securityholding Policy is available on Mirvac's website at: https://www.mirvac.com/about/corporate-governance

SECURITY TRADING POLICY

In line with the Code of Conduct, Mirvac has implemented a Security Trading Policy, which covers dealings in Mirvac securities by Directors and employees, as well as their respective associates.

Directors and employees are only permitted to trade in Mirvac securities during designated trading windows and provided that they are not in possession of confidential price-sensitive information at that time. The policy also sets out the specific approval process to be followed prior to any dealing in Mirvac securities. Margin loans and any form of hedging or short-term speculative dealing in Mirvac securities (including options or derivatives) are prohibited under the Security Trading Policy.

The Security Trading Policy is available on Mirvac's website at: https://www.mirvac.com/about/corporate-governance

Remuneration report

7 NON-EXECUTIVE DIRECTOR REMUNERATION

APPROACH TO NON-EXECUTIVE DIRECTOR FEES

In contrast to Executive KMP remuneration, the remuneration of Mirvac's Non-Executive Directors is not linked to performance. This is consistent with Non-Executive Directors being responsible for objective and independent oversight of the Group.

Mirvac Limited's Constitution provides that Non-Executive Directors may determine their own remuneration, but the total amount provided to all Directors (not including the Group CEO/MD and any other Executive Directors) must not exceed the sum agreed by securityholders at a general meeting.

The maximum aggregate remuneration of $2.75m per annum was approved by securityholders at the 2022 AGM.

Non-Executive Directors have not received any fees other than those described in this section, and do not receive bonuses or any other incentive payments or retirement benefits.

The Non-Executive Directors are reimbursed for expenses properly incurred in performing their duties as a Director of Mirvac.

The schedule of fees for Non-Executive Directors during FY23 is set out in the table below and fees are annual fees, unless otherwise stated:

Board/committee	$
Mirvac Limited and Mirvac Funds Limited Board Chair	480,000[1]
Mirvac Limited and Mirvac Funds Limited Board member	185,000
ARCC, HRC and HSE&E Chair	30,000[2]
Committee member	18,000[3]
Due Diligence Committee (per diem fee)	4,000

1. Chair fee covers all Board and committee responsibilities.
2. The ARCC, HRC and HSE&E Chair fee is in addition to the committee member fee.
3. The single committee fee is paid once for all committee memberships.

ACTUAL REMUNERATION FOR NON-EXECUTIVE DIRECTORS

		Short-term benefits	Post-employment[1]	
Non-Executive Directors	Year	Cash salary and fees $	Superannuation contributions $	Total $
Robert Sindel[2]	**FY23**	**352,349**	**4,151**	**356,500**
	FY22	229,028	3,972	233,000
Christine Bartlett	**FY23**	**210,860**	**22,140**	**233,000**
	FY22	211,818	21,182	233,000
Damien Frawley[3,4]	**FY23**	**299,970**	**25,292**	**325,262**
	FY22	107,652	10,765	118,417
Jane Hewitt	**FY23**	**183,710**	**19,290**	**203,000**
	FY22	184,545	18,455	203,000
James M. Millar AM	**FY23**	**210,860**	**22,140**	**233,000**
	FY22	211,818	21,182	233,000
Samantha Mostyn AO[5]	**FY23**	**192,761**	**20,239**	**213,000**
	FY22	184,546	18,454	203,000
Peter Nash	**FY23**	**188,533**	**14,467**	**203,000**
	FY22	199,540	3,460	203,000
Former Non-Executive Directors				
John Mulcahy	**FY23**	**227,354**	**12,646**	**240,000**
	FY22	456,432	23,568	480,000
Total	**FY23**	**1,866,397**	**140,365**	**2,006,762**
	FY22	1,785,379	121,038	1,906,417

1. Relates to payments required under superannuation legislation.
2. Robert Sindel was appointed Chair of the Board on 1 January 2023.
3. Damien Frawley joined the Board as a Non-Executive Director on 1 December 2021.
4. FY23 remuneration for Damien Frawley is inclusive of fees for his Directorship on both the Mirvac Group and Mirvac Funds Management Australia Limited Board's.
5. Samantha Mostyn was appointed Chair of the HSE&E on 1 March 2023.

Remuneration report

7 NON-EXECUTIVE DIRECTOR REMUNERATION *continued*

MINIMUM SECURITYHOLDING FOR NON-EXECUTIVE DIRECTORS AND ACTUAL SECURITYHOLDING

In order to further strengthen the alignment of interests between Non-Executive Directors and securityholders, the Board established minimum Mirvac Securityholding Guidelines, which recommend Non-Executive Directors build up to a minimum securityholding level of 100 per cent of base fees. Non-Executive Directors appointed to the Mirvac Board will have three years from the date of appointment to establish their securityholding to the minimum level.

In addition to this minimum securityholding requirement, a voluntary Non-Executive Director Fee Sacrifice Rights Plan is available to further encourage Directors to build an ownership stake in Mirvac.

Non-Executive Directors	Balance 1 July 2022	Changes	Balance 30 June 2023	Value $	Date securityholding to be attained
Rob Sindel	90,198	57,800	147,998	399,480	September 2024
Christine Bartlett	80,172	47,125	127,297	280,751	September 2024
Damien Frawley	—	32,000	32,000	72,320	December 2024
Jane Hewitt	70,000	40,000	110,000	269,200	September 2024
James M. Millar AM	55,172	—	55,172	91,220	September 2024
Samantha Mostyn AO	74,045	—	74,045	177,319	September 2024
Peter Nash	82,720	24,221	106,941	262,023	September 2024

8 ADDITIONAL REQUIRED DISCLOSURES

OTHER TRANSACTIONS WITH KMP

There are a number of transactions between KMP and the Group. On occasions, Directors and other KMP participate in arrangements available to directly purchase Mirvac developed residential property. These transactions are made on terms equivalent to those that prevail in arm's length transactions and are at market rates.

As set out in the Directors' Report, a number of the Directors of Mirvac are also Directors of other companies. On occasions, the Group may purchase goods and services from or supply goods and services to these companies. These transactions are undertaken on normal commercial terms and conditions and the Director or other KMP does not directly influence these transactions.

Mirvac developed property purchased by KMP	2023 $000	2022 $000
Exchanges	**1,440**	5,027
Deposits received	**72**	251
Outstanding commitments	**7,477**	6,108

Other benefits

Fees paid by Mirvac for Directors' and Officers' liability insurance are not itemised for each Director as their disclosure would breach the terms of the policy.

Executives and Directors (including Non-Executive Directors) are entitled to participate in arrangements available to directly purchase Mirvac developed residential property. These transactions are made on terms equivalent to those that prevail in arm's length transactions and are at market rates.

TERMS USED IN THIS REMUNERATION REPORT

Term	Meaning
A-REIT	S&P/ASX 200 Australian Real Estate Investment Trust Index.
Clawback	Mirvac's clawback policy gives the HRC the ability to claw back incentives in the event of a material financial misstatement, for misconduct that is, or may be, harmful to the Group, and/or gross negligence. The clawback provisions apply to unvested STI and LTP awards received after the introduction of the policy in February 2013.
Executive KMP	Includes the Group CEO/MD, CFO, the CEO, Funds Management, the CEO, Development and the CEO, Investments.
Executives	Members of Mirvac's Executive Leadership Team (including the Executive KMP).
Invested Capital	Invested Capital equals investment properties, inventories and indirect investments, less fund-through adjustments (deferred revenue) and deferred payment for land. Average Invested Capital is the average of the current period and the prior two reporting periods.
KMP	Key management personnel are those people with authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly.
Performance right	A right to a Mirvac security at the end of a performance period, subject to the satisfaction of performance measures.
ROIC	ROIC is calculated as Total Return divided by average Invested Capital.
Total Return	Total Return is the profit for the year attributable to securityholders adjusted for development interest costs and other interest costs; net gain or loss on financial instruments; and income tax expense.
TSR	Total Shareholder Return measures the percentage growth in a company's security price together with the value of dividends/distributions received during the period, assuming that all of those dividends/distributions are reinvested into new securities.

Auditor's independence declaration

pwc

Auditor's Independence Declaration

As lead auditor for the audit of Mirvac Limited for the year ended 30 June 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 audit; and

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

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

V. Papageorgiou

Voula Papageorgiou
Partner
PricewaterhouseCoopers

Sydney
16 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999

Financial report

For the year ended 30 June 2023

CONSOLIDATED FINANCIAL STATEMENTS

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Consolidated statement of comprehensive income

For the year ended 30 June 2023

	Note	2023 $m	2022 $m
Revenue	B2	**1,902**	2,306
Other income			
Revaluation gain on investment properties	C2	**—**	347
Share of net profit of joint ventures and associates	C3	**38**	109
Gain on financial instruments	B2	**32**	64
Gain on sale of assets		**—**	16
Total revenue and other income		**1,972**	2,842
Development expenses		**777**	1,152
Cost of goods sold interest	B3	**20**	24
Impairment of inventory and other assets	B3	**66**	15
Selling and marketing expenses		**40**	46
Revaluation loss on investment properties	C2	**480**	—
Loss on disposal of assets		**23**	1
Investment property expenses and outgoings	B3	**207**	212
Depreciation and amortisation expenses		**73**	83
Impairment loss on receivables	B3	**—**	24
Employee expenses	B3	**139**	122
Finance costs	B3	**152**	96
Loss on financial instruments		**6**	—
Other expenses	B3	**171**	83
(Loss)/profit before income tax		**(182)**	984
Income tax (benefit)/expense	B5	**(17)**	78
(Loss)/profit from continuing operations attributable to stapled securityholders		**(165)**	906
Other comprehensive (loss)/income that may be reclassified to profit or loss			
Changes in the fair value of cash flow hedges	F3	**(2)**	17
Other comprehensive (loss)/income for the year		**(2)**	17
Total comprehensive (loss)/income for the year attributable to stapled securityholders		**(167)**	923
Earnings per stapled security (EPS) attributable to stapled securityholders		**Cents**	**Cents**
Basic EPS	H2	**(4.2)**	23.0
Diluted EPS	H2	**(4.2)**	23.0

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

The comparative amounts have 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 financial position

As at 30 June 2023

	Note	2023 $m	2022 $m
Current assets			
Cash and cash equivalents		**122**	558
Receivables	D1	**173**	144
Inventories	C4	**1,504**	622
Derivative financial assets	E4	**22**	66
Other assets		**42**	42
Assets classified as held for sale	C2	**759**	—
Total current assets		**2,622**	1,432
Non-current assets			
Receivables	D1	**53**	30
Inventories	C4	**1,735**	1,639
Investment properties	C2	**9,753**	12,189
Investments in joint ventures and associates	C3	**2,302**	1,481
Derivative financial assets	E4	**180**	176
Other financial assets	D2	**74**	73
Other assets		**7**	49
Property, plant and equipment		**8**	13
Right-of-use assets		**23**	28
Intangible assets	D3	**78**	79
Deferred tax assets	B5	**47**	17
Total non-current assets		**14,260**	15,774
Total assets		**16,882**	17,206
Current liabilities			
Payables	D4	**930**	730
Deferred revenue	B2	**44**	17
Borrowings	E2	**250**	281
Derivative financial liabilities	E4	**9**	6
Other financial liabilities		**—**	66
Lease liabilities	E2	**8**	8
Provisions	D5	**260**	232
Current tax liabilities	B5	**—**	42
Total current liabilities		**1,501**	1,382
Non-current liabilities			
Payables	D4	**379**	571
Deferred revenue	B2	**23**	3
Borrowings	E2	**4,226**	3,930
Lease liabilities	E2	**56**	72
Derivative financial liabilities	E4	**129**	111
Provisions	D5	**11**	11
Total non-current liabilities		**4,824**	4,698
Total liabilities		**6,325**	6,080
Net assets		**10,557**	11,126
Equity			
Contributed equity	F2	**7,533**	7,527
Reserves	F3	**23**	23
Retained earnings		**3,001**	3,576
Total equity attributable to the stapled securityholders		**10,557**	11,126

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

The comparative amounts have 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 changes in equity

For the year ended 30 June 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 2021		7,510	13	3,070	10,593	66	10,659
Recognition of financial liability	A	—	—	—	—	(66)	(66)
Restated total equity 30 June 2021		7,510	13	3,070	10,593	—	10,593
Profit for the year		—	—	906	906	—	906
Other comprehensive income for the year		—	17	—	17	—	17
Total comprehensive income for the year		—	17	906	923	—	923
Transactions with owners of the Group							
Security-based payments							
Expense recognised – EEP	F2	1	—	—	1	—	1
Expense recognised – LTI and STI	F4	—	13	—	13	—	13
LTI vested	F2/F4	15	(15)	—	—	—	—
STI vested	F4	—	(1)	—	(1)	—	(1)
Legacy schemes vested	F2	1	—	—	1	—	1
Transfer from SBP reserve for unvested awards	F4	—	(4)	4	—	—	—
Distributions	F1	—	—	(404)	(404)	—	(404)
Total transactions with owners of the Group		17	(7)	(400)	(390)	—	(390)
Balance 30 June 2022		7,527	23	3,576	11,126	—	11,126
Balance 1 July 2022		**7,527**	**23**	**3,576**	**11,126**	**—**	**11,126**
Loss for the year		**—**	**—**	**(165)**	**(165)**	**—**	**(165)**
Other comprehensive loss for the year		**—**	**(2)**	**—**	**(2)**	**—**	**(2)**
Total comprehensive loss for the year		**—**	**(2)**	**(165)**	**(167)**	**—**	**(167)**
Transactions with owners of the Group							
Security-based payments							
Expense recognised – LTI and STI	F4	**—**	**13**	**—**	**13**	**—**	**13**
LTI vested	F2/F4	**6**	**(6)**	**—**	**—**	**—**	**—**
STI vested	F4	**—**	**(1)**	**—**	**(1)**	**—**	**(1)**
Transfer from SBP reserve for unvested awards	F4	**—**	**(4)**	**4**	**—**	**—**	**—**
Distributions	F1	**—**	**—**	**(414)**	**(414)**	**—**	**(414)**
Total transactions with owners of the Group		**6**	**2**	**(410)**	**(402)**	**—**	**(402)**
Balance 30 June 2023		**7,533**	**23**	**3,001**	**10,557**	**—**	**10,557**

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

The comparative amounts have 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 year ended 30 June 2023

	Note	2023 $m	2022 $m
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**2,017**	2,461
Payments to suppliers and employees (inclusive of GST)		**(1,935)**	(1,531)
		82	930
Interest received		**10**	6
Distributions received from joint ventures and associates		**130**	95
Distributions received		**2**	1
Interest paid		**(228)**	(131)
Income tax paid		**(53)**	(6)
Net cash (outflows)/inflows from operating activities	E3	**(57)**	895
Cash flows from investing activities			
Payments for investment properties		**(736)**	(792)
Proceeds from sale of investment properties		**442**	231
Proceeds from loans to unrelated parties		**7**	22
Payments of loans to unrelated parties		**(24)**	—
Proceeds from sale of property, plant and equipment		**1**	—
Payments for property, plant and equipment		**(3)**	(7)
Contributions to joint ventures and associates		**(745)**	(70)
Proceeds from joint ventures and associates		**1**	163
Payments for software under development		**(2)**	(1)
Proceeds from investments		**1**	9
Payments for investments		**(5)**	—
Proceeds from acquisitions of subsidiaries, net of cash acquired		**—**	11
Payments for acquisitions of subsidiaries, net of cash acquired	G3	**(203)**	—
Proceeds from disposal of subsidiaries, net of cash deconsolidated	G3	**944**	—
Deconsolidation of cash and cash equivalents upon disposal of controlled entities		**—**	(2)
Net cash outflows from investing activities		**(322)**	(436)
Cash flows from financing activities			
Proceeds from borrowings		**3,425**	1,711
Repayments of borrowings		**(3,075)**	(1,320)
Distributions paid		**(407)**	(402)
Proceeds from non-controlling interests		**7**	—
Principal element of lease payments		**(7)**	(7)
Net cash outflows from financing activities		**(57)**	(18)
Net (decrease)/increase in cash and cash equivalents		**(436)**	441
Cash and cash equivalents at the beginning of the year		**558**	117
Cash and cash equivalents at the end of the year		**122**	558

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

The comparative amounts have 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.

Notes to the consolidated financial statements

For the year ended 30 June 2023

A BASIS OF PREPARATION

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 (the deemed parent entity) and Mirvac Funds Limited (as responsible entity for MPT) have common directors and operate as Mirvac Group. Mirvac Limited and MPT have a Deed of Cooperation to recharge each other on a cost recovery basis, where permitted by law, to maintain the best interests of Mirvac as a whole.

The stapled security structure will cease to operate on the first of:

> Mirvac Limited or MPT resolving by special resolution in a general meeting, and in accordance with its Constitution, to terminate the stapled security structure; or

> Mirvac Limited or MPT commencing winding up.

The ASX reserves the right (but without limiting its absolute discretion) to remove entities with stapled securities from the official list if their securities cease to be stapled together, or either one or more stapled entities issues any equity securities of the same class that are not stapled.

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

These consolidated financial statements are general purpose financial statements. They have been prepared in accordance with Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board, the *Corporations Act 2001* and International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis of preparation

Mirvac Group is a for-profit entity for the purposes of preparing the financial statements.

These financial statements have been prepared on a going concern basis, using historical cost conventions except for investment properties, investment properties under construction (IPUC), derivative financial instruments and other financial assets and financial liabilities that 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.

Critical accounting estimates and judgements

The preparation of financial statements requires estimation and judgement. The areas involving a higher degree of estimation or judgement are discussed in the following notes:

	Note
Revenue	B2
Income tax	B5
Investment properties	C2
Investments in joint ventures and associates	C3
Inventories	C4
Intangible assets	D3
Fair value measurement of financial instruments	E6
Security-based payments	F4

Comparative information

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

Specifically, the Group has made the following restatements in relation to the 30 June 2022 comparative amounts:

> Mirvac's segments have been realigned 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 year ended 30 June 2022. Refer to note B1 Segment information for further information.

> Recognition of a put option liability presented in current Other financial liabilities of $66m (1 July 2021: $66m) and derecognition of Non-controlling interest of $66m (1 July 2021: $66m), restatement of other expenses presented on the SoCI by $1m.

New and amended standards adopted by the Group

Amended standards and interpretations adopted by the Group for the year ended 30 June 2023 have not had a significant impact on the current period or any prior period and are not likely to have a significant impact in future periods. These are listed below:

> AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments* AASB 1, AASB 3, AASB 9, AASB 116 & AASB 137 & AASB 141.

Notes to the consolidated financial statements

B RESULTS FOR THE YEAR

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. Mirvac's segments have been realigned effective 1 March 2023, following changes to its ELT and adjustments to its organisational structure to enhance and maximise operating efficiencies. The new segments are: Investment, Funds and Development.

Comparative information has been restated to conform to the change in segments. The restatement is presentational in nature and has no impact to the reported net assets or profit for the year ended 30 June 2022.

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-used 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 prior year, the Group recognised revenue of $528m from two external customers. This revenue represents 23 per cent of total revenue in the prior year and was attributed to the Development segment. No other single customer in the current or prior year 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	2023 $m	2022 $m
Investment	**619**	568
Funds	**20**	2
Development	**214**	285
Segment EBIT [1]	**853**	855
Unallocated overheads	**(86)**	(82)
Group EBIT	**767**	773
Net financing costs [2]	**(162)**	(115)
Operating income tax expense	**(25)**	(62)
Operating profit after tax	**580**	596
Development revaluation (loss)/gain [3]	**(42)**	70
Investment property revaluation (loss)/gain	**(528)**	305
Other non-operating items	**(175)**	(65)
Statutory (loss)/profit attributable to stapled securityholders	**(165)**	906

1. EBIT includes share of net operating profit of joint ventures and associates.
2. Includes cost of goods sold interest of $20m (2022: $24m) and interest revenue of $10m (2022: $5m).
3. Relates to the fair value movement on IPUC.

Notes to the consolidated financial statements

B RESULTS FOR THE YEAR *continued*

	Segments									
	Investment		Funds		Development		Unallocated		Total	
Revenue by function	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Property rental revenue	**760**	772	**13**	11	**4**	3	**—**	—	**777**	786
Development revenue[1]	**—**	—	**—**	—	**1,013**	1,485	**—**	—	**1,013**	1,485
Asset and funds management revenue[2]	**—**	—	**72**	39	**—**	—	**—**	—	**72**	39
Other revenue	**11**	2	**11**	9	**9**	19	**10**	5	**41**	35
Total operating revenue	**771**	774	**96**	59	**1,026**	1,507	**10**	5	**1,903**	2,345
Share of net profit/(loss) of joint ventures and associates[3]	**67**	50	**—**	—	**68**	36	**—**	(1)	**135**	85
Gain on sale of assets	**—**	—	**—**	—	**—**	16	**—**	—	**—**	16
Other income	**67**	50	**—**	—	**68**	52	**—**	(1)	**135**	101
Total operating revenue and other income	**838**	824	**96**	59	**1,094**	1,559	**10**	4	**2,038**	2,446
Non-operating items[4]	**(97)**	266	**—**	—	**—**	70	**31**	60	**(66)**	396
Total statutory revenue and other income	**741**	1,090	**96**	59	**1,094**	1,629	**41**	64	**1,972**	2,842

1. Includes development management fees.
2. Investment property management revenue incurred on the Group's investment properties of $19m (2022: $19m) has been eliminated on consolidation.
3. Revenue excludes non-operating items.
4. The current period relates mainly to fair value loss on investment properties held by joint ventures and associates. The prior period relates mainly to fair value gain on investment properties and IPUC held by wholly owned entities.

	Segments									
	Investment		Funds		Development		Unallocated		Total	
Additional segment information	2023 $m	2022[1] $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022[1] $m
Segment assets and liabilities										
Assets										
Investment properties	**9,015**	10,782	**—**	—	**738**	1,407	**—**	—	**9,753**	12,189
Inventories	**—**	—	**—**	—	**3,239**	2,261	**—**	—	**3,239**	2,261
Assets held for sale	**759**	—	**—**	—	**—**	—	—	—	**759**	—
Indirect investments[2]	**2,063**	1,376	**38**	40	**366**	263	**35**	15	**2,502**	1,694
Other assets	**45**	50	**40**	22	**56**	48	**488**	942	**629**	1,062
Total assets	**11,882**	12,208	**78**	62	**4,399**	3,979	**523**	957	**16,882**	17,206
Total liabilities	**177**	217	**34**	21	**1,173**	1,143	**4,941**	4,699	**6,325**	6,080
Net assets	**11,705**	11,991	**44**	41	**3,226**	2,836	**(4,418)**	(3,742)	**10,557**	11,126
Other segment information										
Share of net (loss)/profit of joint ventures and associates	**(29)**	67	**—**	—	**67**	43	**—**	(1)	**38**	109
Depreciation and amortisation expenses	**59**	69	**2**	1	**1**	2	**11**	11	**73**	83
Additions for investment properties and PPE	**305**	826	**—**	—	**498**	876	**1**	6	**804**	1,708
Additions of investments in joint ventures and associates	**707**	6	**—**	—	**37**	62	**—**	—	**744**	68

1. The comparative amounts have 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.
2. Includes carrying value of investments in joint ventures and associates and other indirect investments.

Notes to the consolidated financial statements

B RESULTS FOR THE YEAR *continued*

Reconciliation of statutory profit to operating profit after tax

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

	Segments					
	Investment $m	Funds $m	Development $m	Unallocated $m	2023 Total $m	2022 Total $m
(Loss)/profit for the year attributable stapled securityholders	**(2)**	**(35)**	**46**	**(174)**	**(165)**	906
Exclude specific non-cash items						
Revaluation of investment properties[1]	438	—	42	—	**480**	(347)
Net loss/(gain) on financial instruments	1	—	—	(27)	**(26)**	(64)
Depreciation of right-of-use assets	—	—	—	8	**8**	7
Straight-lining of lease revenue[2]	(9)	—	—	—	**(9)**	(5)
Amortisation of lease incentives and leasing costs	103	—	—	—	**103**	114
Amortisation of management rights	—	2	—	—	**2**	—
Share of net loss/(profit) of joint ventures and associates relating to movement of non-cash items[3]	97	—	—	—	**97**	(24)
AASB 16 *Leases* – net movement	—	—	—	(8)	**(8)**	(7)
Exclude other non-operating items						
Net loss on sale of assets	22	—	—	1	**23**	—
Restructuring expense[4]	—	—	—	9	**9**	—
Impairment of inventory and other assets	—	—	60	—	**60**	—
Transaction costs	—	53	20	—	**73**	—
Insurance proceeds[5]	(31)	—	—	—	**(31)**	—
Other non-operating items	—	—	7	—	**7**	—
Tax effect						
Tax effect of non-operating adjustments[6]	—	—	—	(43)	**(43)**	16
Operating profit after tax	**619**	**20**	**175**	**(234)**	**580**	596
SaaS implementation costs	1	6	11	6	**24**	18
FFO	**620**	**26**	**186**	**(228)**	**604**	614

1. Includes development revaluation loss and excludes Mirvac's share in the joint ventures and associates revaluation of investment properties which is included within Share of net profit of joint ventures and associates.
2. Included within Revenue.
3. Included within Share of net profit of joint ventures and associates.
4. Included within Employee expenses.
5. Included within Revenue and Investment property expenses and outgoings.
6. Included within Income tax expense.

Notes to the consolidated financial statements

B RESULTS FOR THE YEAR *continued*

B2 REVENUE

The Group has three main revenue streams: property rental revenue, asset and funds management revenue and development revenue. Property rental revenue comes from holding properties as investment properties and earning rental yields over time. Asset and funds management revenue are fees earned from managed assets. Development revenue is derived from constructing and selling properties as well as managing developments for third parties and capital partners.

Revenue is measured at the fair value of the consideration received or receivable, net of returns, trade allowances and duties and taxes paid. The Group recognises revenue from the transfer of goods or services over time and at a point in time in the following revenue streams.

PROPERTY RENTAL REVENUE

Lease revenue

The Group invests in properties for rental yields and capital appreciation. Rental revenue from investment properties is recognised on a straight-line basis over the lease term, net of any incentives. Modifications to the leases are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Service revenue

The Group also provides services to the lessees, which primarily consist of general building management and operations in accordance with their lease agreements. Service income, representing the recovery of associated costs from the lessees, is recognised over time when the services are provided.

ASSET AND FUNDS MANAGEMENT REVENUE

The Group provides property management and leasing, investment funds management, and facilities management services. These services are provided on an ongoing basis and over the term of the agreements. The management fees are generally calculated based upon the value of the managed assets, which is a variable consideration and recognised upon delivery of services.

DEVELOPMENT REVENUE

Settlement revenue

The Group develops and sells properties comprising apartments, land lots, masterplanned communities and commercial and mixed-use properties held as inventory. Revenue is recognised when control of the property is transferred to the customer and generally occurs on settlement. The revenue is measured at the transaction price agreed under the contract.

Development management service revenue

Development management fees are received to remunerate the Group for management services, time and the risk of developing a commercial, mixed-use or residential project. Contracts can include one or multiple performance obligations depending on the terms of the contract. Revenue is recognised as the performance obligations are satisfied. Hourly rate fees are recognised when service is provided, and fixed rate fees are recognised on a percentage of completion basis.

Construction service revenue

The Group provides services to construct office, industrial, retail and residential buildings or a combination thereof as mixed-use on customer-owned land.

There is ordinarily one performance obligation, being the 'macro-promise' to deliver a completed building to the customer, including the design, construction and leasing (if applicable) of the building. The performance obligation is satisfied, and revenue, including costs and margin is recognised over time with progress determined in line with the building's percentage of completion. The percentage of completion is determined by costs incurred to date as a percentage of total expected costs. This method best represents the passing of control of the building to the customer as it is being built. Estimates of costs and project completion and associated revenue are revised if circumstances change, with any resulting increases or decreases reflected in the consolidated SoCI.

Certain development contracts may include variable revenue, which is dependent on predetermined metrics; for example, capitalised net rental income. Variable revenue is recognised when highly probable based on historical experience, forecasts and current economic conditions.

Deferred revenue

Some development contracts are funded by a capital partner throughout the life of the project or construction phase, generally known as fund through projects. Payments received for these projects are recognised as deferred revenue, which is classified as a liability in the consolidated SoFP. Associated revenue is recognised in the consolidated SoCI when the performance obligations are satisfied. The recognition of deferred revenue is contractually based. Judgement is required in determining whether performance obligations have been satisfied for the recognition of the associated revenue.

At 30 June 2023, the Group held $67m of deferred revenue (2022: $20m).

During the year, the Group recognised $9m in revenue from contracts for which deferred revenue was held at the beginning of the financial year (2022: $45m).

Notes to the consolidated financial statements

B RESULTS FOR THE YEAR *continued*

	2023 $m	2022 $m
Revenue		
Lease revenue[1]	**599**	620
Service revenue	**119**	104
Other property rental revenue	**24**	8
Total property rental revenue	**742**	732
Asset and funds management revenue	**72**	39
Settlement revenue	**667**	1,014
Development and construction management services revenue	**346**	471
Total development revenue	**1,013**	1,485
Interest revenue	**10**	5
Other revenue	**65**	45
Total revenue	**1,902**	2,306

1. Includes straight-lining of lease revenue of $9m (2022: $5m).

Costs to obtain a contract

Sales commissions, incurred to obtain a contract, are capitalised and included within other assets on the consolidated SoFP and expensed when the associated settlement revenue is recognised.

	2023 $m	2022 $m
Expensed during the period[1]	**11**	22
Incremental costs to obtain a contract		
Current	**4**	3
Non-current	**2**	6
Total incremental costs to obtain a contract	**6**	9

1. No impairment loss was recognised during the year (2022: $nil).

Transaction price allocated to remaining performance obligations

The transaction price allocated to partially unsatisfied performance obligations at 30 June 2023 is as set out below.

	2023 $m	2022 $m
Within one year	**1,346**	985
More than one year	**754**	650
Total	**2,100**	1,635

Gain on financial instruments	2023 $m	2022 $m
Gain on interest rate derivatives	**28**	49
Gain on assets at fair value through profit or loss	**—**	4
Gain on cross currency derivatives	**4**	11
Total gain on financial instruments	**32**	64

Notes to the consolidated financial statements

B RESULTS FOR THE YEAR *continued*

B3 EXPENSES

Development expenses

Development expenses are initially capitalised as inventory on the consolidated SoFP until the associated revenue is recognised. These expenses include the costs of acquisition and development and all other costs directly related to the specific projects, including an allocation of direct overhead expenses.

Cost of goods sold interest

Interest previously capitalised to incomplete inventory is expensed when the associated revenue is recognised. Upon completion of the project, borrowing costs and other holding charges are no longer capitalised and are expensed as incurred.

Selling and marketing expenses

Costs to promote and market projects are expensed as incurred. Direct costs incurred in obtaining a contract, such as sales commissions, are capitalised as a contract asset and included within other assets on the consolidated SoFP. These costs are expensed when the associated revenue is recognised.

Investment property expenses and outgoings

Investment property expenses relate to those costs that allow for the occupation and maintenance of investment properties in order to continue to earn rental revenue. Expenses include statutory levies, insurance and other property outgoings and are recognised on an accruals basis.

Government grants

Government grants are accounted for under AASB 120 *Accounting for Government Grants and Disclosure of Government Assistance.* The standard provides the option to present these amounts as income or as a reduction in expenses.

During the prior year, the Group received $13m land tax rebates from various state revenue agencies. These rebates were provided to landlords who provided rental relief to tenants. These amounts have been recognised as a reduction to Investment property expenses and outgoings in the consolidated SoCI. No land tax rebates were received in the current year.

Depreciation and amortisation

Depreciation on property, plant and equipment is calculated on a straight-line basis over the estimated useful life of the asset, usually between 3-15 years. Amortisation on lease incentives, software and management rights is calculated on a straight-line basis over the estimated useful life of the asset.

Profit before income tax includes the following specific expenses:

	2023 $m	2022 $m
Total impairment of inventory and other assets		
Provision for impairment of inventories	**25**	5
Inventory costs written off	**6**	10
Total impairment of inventory	**31**	15
Other assets written off	**35**	—
Total impairment of other assets	**35**	—
Total impairment of inventory and other assets	**66**	15
Total investment property expenses and outgoings		
Statutory levies	**47**	46
Insurance	**9**	6
Power and gas	**29**	26
Property maintenance	**53**	55
Other	**69**	79
Total investment property expenses and outgoings	**207**	212
Total impairment loss on receivables		
Loss allowance on trade debtors	**—**	25
Loss allowance on loans receivable	**—**	(1)
Total impairment loss on receivables	**—**	24

Notes to the consolidated financial statements

B RESULTS FOR THE YEAR *continued*

	2023 $m	2022[1] $m
Total employee expenses		
Employee benefits expenses	**116**	107
Security-based payments expense	**14**	15
Restructuring expense	**9**	—
Total employee expenses	**139**	122
Interest and borrowing costs		
Interest paid/payable	**217**	127
Interest on lease liabilities	**2**	3
Interest capitalised	**(71)**	(36)
Borrowing costs amortised	**4**	2
Total finance costs	**152**	96
Add: cost of goods sold interest[2]	**20**	24
Total interest and borrowing costs	**172**	120
Total other expenses		
Compliance, consulting and professional fees	**21**	19
Office and administration expenses	**18**	11
IT infrastructure[3]	**43**	35
Insurance and other expenses	**16**	18
Transaction costs	**73**	—
Total other expenses	**171**	83

1. The comparative amounts for Other expenses have been restated. Refer to note A Basis of preparation.
2. This interest was previously capitalised and has been expensed in the current period.
3. Includes employee benefits expenses $7m (2022: $7m) relating to the implementation of SaaS arrangements.

B4 EVENTS OCCURRING AFTER THE END OF THE YEAR

No events have occurred since the end of the 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 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.

Notes to the consolidated financial statements

B RESULTS FOR THE YEAR *continued*

Mirvac Limited Tax Consolidated Group

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 that, in the opinion of the Directors, limits the joint and several liability 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.

Income tax analysis

Reconciliation to effective tax rate	2023 $m	2022[1] $m
(Loss)/profit before income tax	**(182)**	984
Less: Group elimination entries not subject to corporate taxation	**(4)**	(6)
Less: MPT loss/(profit) not subject to taxation	**105**	(712)
Add: Mirvac Limited trust (loss)/profit not subject to taxation[2]	**(3)**	1
(Loss)/profit that is subject to taxation	**(84)**	267
Income tax (benefit)/expense calculated at 30%	**(25)**	80
Tax effect of amounts that are not deductible/(taxable) in calculating taxable income		
Recognition of deferred tax asset equity based payments[3]	**(8)**	—
Non-deductible transaction costs[4]	**14**	—
Non-deductible equity accounted loss	**—**	1
Other non-deductible/(non-assessable) items	**3**	(3)
Over provision in prior years	**(1)**	—
Income tax (benefit)/expense	**(17)**	78
Effective tax rate[5]	**27%**	29%

1. The comparative amount for profit has been restated. Refer to note A Basis of preparation.
2. Trust income that is not subject to corporate taxation as not wholly owned by the Mirvac Ltd tax consolidated group.
3. First time recognition of a deferred tax asset for the estimated future deductible amount of employee equity-based performance entitlements.
4. Non-deductible transaction costs in relation to AMP Wholesale Office Fund (renamed to Mirvac Wholesale Office Fund).
5. Effective tax rate is calculated as the income tax expense divided by the profit which is subject to taxation. The effective tax rate has been normalised by excluding non deductible transaction costs, initial recognition of a deferred tax asset on equity based payments and non deductible losses on equity accounted joint ventures and associates.

Reconciliation of income tax (benefit)/expense to tax paid and payable	2023 $m	2022 $m
Income tax (benefit)/expense	**(17)**	78
Temporary differences		
Deferred revenue	**2**	(32)
Inventories	**(126)**	84
Revaluation of derivative financial instruments	**(27)**	(10)
Movements in foreign exchange translation losses	**19**	(5)
Receivables	**10**	(18)
Right-of-use assets	**2**	—
Lease liabilities	**(4)**	(1)
Other temporary differences	**25**	(4)
Transfer to/(from) tax losses	**127**	(44)
Current tax expense	**11**	48
Opening current tax liability	**42**	—
Less: current tax paid during the year	**(53)**	(6)
Closing tax liability	**—**	42

Notes to the consolidated financial statements

B RESULTS FOR THE YEAR *continued*

Unrecognised tax and capital losses	2023 $m	2022 $m
Unused capital losses that have not been recognised as deferred tax assets due to uncertainty of utilisation[1]	**60**	62
Potential tax benefit at 30 per cent	**18**	19

1. Unused capital losses can only be utilised against capital gains.

Movement in deferred tax	1 July 2021 $m	Recognised in profit or loss $m	Recognised in other comprehensive income $m	Balance 30 June 2022 $m	Recognised in profit or loss $m	Recognised in other comprehensive income $m	Balance 30 June 2023 $m
Unrealised gain from JVAs	7	—	—	7	**—**	**—**	**7**
Accruals	30	(1)	—	29	**10**	**—**	**39**
Employee provisions and accruals	11	3	—	14	**8**	**—**	**22**
Deferred revenue	47	(32)	—	15	**2**	**—**	**17**
Derivative financial instruments	44	(3)	13	54	**(21)**	**8**	**41**
Impairment of loans and doubtful debts	7	(5)	—	2	**(1)**	**—**	**1**
PPE	1	1	—	2	**3**	**—**	**5**
Tax losses	44	(44)	—	—	**127**	**—**	**127**
Lease liabilities	24	(1)	—	23	**(4)**	**—**	**19**
Foreign exchange translation losses	70	(5)	(30)	35	**19**	**(25)**	**29**
Other	9	(1)	—	8	**—**	**—**	**8**
Deferred tax assets	294	(88)	(17)	189	**143**	**(17)**	**315**
Investments in JVAs	(6)	(2)	—	(8)	**1**	**—**	**(7)**
Inventories[1]	(133)	84	—	(49)	**(126)**	**—**	**(175)**
Derivative financial instruments	(74)	(7)	9	(72)	**(6)**	**19**	**(59)**
Land and buildings	(3)	(2)	—	(5)	**4**	**—**	**(1)**
Prepayments	(4)	1	—	(3)	**1**	**—**	**(2)**
Receivables	(7)	(18)	—	(25)	**10**	**—**	**(15)**
Right-of-use assets	(10)	—	—	(10)	**2**	**—**	**(8)**
Other	(2)	2	—	—	**(1)**	**—**	**(1)**
Deferred tax liabilities	(239)	58	9	(172)	**(115)**	**19**	**(268)**
Net deferred tax assets	55	(30)	(8)	17	**28**	**2**	**47**

1. Includes investment properties that are considered trading stock for tax purposes.

Deferred tax assets expected to be recovered after more than 12 months are $188m (2022: $189m).

Notes to the consolidated financial statements

C PROPERTY AND DEVELOPMENT ASSETS

This section includes investment properties, investments in joint ventures and associates 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. Depending on the specific arrangements for each property, they are classified as investment properties or properties held through joint ventures and associates.

Refer to note I1 for a detailed listing of Mirvac's property portfolio.

Investment properties

Investment properties are properties owned by Mirvac and not occupied by the Group. Investment properties include investment properties under construction (IPUC), which will become investment properties once construction is completed.

Mirvac accounts for its investment properties at fair value. Revaluation gains are recognised as Other income and revaluation losses are recognised as an expense. For the year ended 30 June 2023, $480m revaluation loss has been recognised in Profit before income tax (2022: $347m revaluation gain).

Investments in joint arrangements

Mirvac enters into arrangements with third parties to jointly own investment properties. If Mirvac has joint control over the activities and joint rights to the net assets of an arrangement held in a separate entity, then it is classified as a joint venture. If Mirvac has significant influence over an entity, that is neither a subsidiary nor an interest in a joint venture, then it is classified as an associate. The joint venture or associate (JVA) holds investment property at fair value and Mirvac recognises its share of the JVA's profit or loss as Other income. For further details on accounting for JVAs, refer to note C3.

Mirvac also holds joint operations with third parties whereby the parties have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Group recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

Judgements in fair value estimation

Fair value is the price that would be received to sell 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 30 June 2023, the Group undertook independent valuations covering 36 per cent of its investment property portfolio, by value, excluding 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 investment properties under construction 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 and sensitivity to changes in the measurement of fair value of investment properties.

Notes to the consolidated financial statements

C PROPERTY AND DEVELOPMENT ASSETS *continued*

Lease incentives

The carrying amount of investment properties includes lease incentives provided to tenants. Lease incentives are capitalised and recognised on a straight-line basis over the lease term.

Ground leases

A lease liability reflecting the leasehold arrangements of investment properties is separately disclosed in the consolidated SoFP and the carrying value of the investment properties adjusted (i.e. increased) so that the net of these two amounts equals the fair value of the investment properties. The lease liabilities are calculated as the net present value of the future lease payments discounted at the incremental borrowing rate.

At 30 June 2023, $37m of lease liabilities for ground leases has been recognised on the consolidated SoFP (2022: $48m).

Lease liabilities are subsequently measured by:

> increasing the carrying amount to reflect interest on the lease liability;
> reducing the carrying amount to reflect the lease payments made; and
> remeasuring the carrying amount to reflect any reassessment or lease modifications.

Some ground leases contain variable payment terms that are linked to sales generated. Variable lease payments that depend on sales are recognised in the consolidated SoCI in the period in which the condition that triggers those payments occurs.

Interest on the lease liabilities and any variable lease payments not included in the measurement of the lease liabilities are recognised in the consolidated SoCI to the period in which they relate.

Derecognition of investment properties

Investment properties are reclassified from non-current to current assets held for sale when they satisfy the conditions under AASB 5 *Non-current Assets Held for Sale and Discontinued Operations.*

For reclassification to occur, the disposal of the investment property must be highly probable with an exchanged contract and settlement pending. Once control of an investment property transfers to a purchaser, usually upon settlement, the Group will derecognise the book value of the Investment property with any resultant gain or loss recognised in the consolidated SoFP. During the year, the Group transferred $759m of investment properties to Assets classified as held for sale (2022: nil).

Occasionally, the Group will reassess the status of an investment property and determine that its highest and best use may be different from its current use; for example, an office building may better suited to redevelopment and sale as apartments. In these cases, once development commences with a view to resale, and the investment property ceases to be classified as an investment property, all or part is reclassified from Investment properties to Inventory. During the year, a net of $487m of investment properties were transferred to inventory (2022: $37m).

Commitments

Capital expenditure commitments

At 30 June 2023, capital commitments on Mirvac's investment property portfolio were $191m (2022: $645m). There were no investment properties pledged as security by the Group (2022: 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.

The future receipts are shown as undiscounted contractual cash flows.

Future operating lease receipts as a lessor	2023 $m	2022 $m
Within one year	**466**	521
Between one and five years	**1,461**	1,666
Later than five years	**1,119**	1,481
Total future operating lease receipts	**3,046**	3,668

Notes to the consolidated financial statements

C PROPERTY AND DEVELOPMENT ASSETS *continued*

Property portfolio as at 30 June 2023

	Note	Office $m	Industrial $m	Retail $m	Build to Rent $m	2023 Total $m	2022 Total $m
Investment properties		5,325	1,324	2,366	—	**9,015**	10,782
Investment properties under construction		254	244	240	—	**738**	1,407
Total investment properties	C2	**5,579**	**1,568**	**2,606**	**—**	**9,753**	12,189
Investments in JVA [1]		1,819	185	—	396	**2,400**	1,350
Assets classified as held for sale		718	—	41	—	**759**	—
Total property portfolio		**8,116**	**1,753**	**2,647**	**396**	**12,912**	13,539

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

	2023 $m	2022 $m
Office	**(378)**	265
Industrial	**69**	208
Retail	**(129)**	(126)
Build to Rent	**(42)**	—
Net revaluation (loss)/gain from fair value adjustments	**(480)**	347

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	Build to Rent $m	2023 Total $m	2022 Total $m
Balance 1 July	7,054	1,583	2,918	634	**12,189**	11,821
Expenditure capitalised	261	93	35	272	**661**	666
Acquisitions	1	140	—	—	**141**	1,036
Disposals	(301)	—	(158)	(481)	**(940)**	(711)
Net revaluation (loss)/gain from fair value adjustments	(378)	69	(129)	(42)	**(480)**	347
Transfer to assets classified as held for sale	(718)	—	(41)	—	**(759)**	—
Transfer to inventories	(263)	(224)	—	—	**(487)**	(37)
Transfer to joint ventures and associates	—	(87)	—	(382)	**(469)**	(819)
Amortisation expense	(77)	(6)	(19)	(1)	**(103)**	(114)
Balance 30 June	**5,579**	**1,568**	**2,606**	**—**	**9,753**	12,189

Notes to the consolidated financial statements

C PROPERTY AND DEVELOPMENT ASSETS *continued*

Fair value measurement and valuation basis

The basis of valuation of investment properties is fair value. Fair values are based on market values, being the price that would be received to sell an asset in an orderly transaction between market participants at the reporting date.

Investment properties are measured as Level 3 financial instruments. Refer to note E6 for explanation of the levels of fair value measurement. The following are the unobservable inputs used in determining the fair value measurement of investment properties. Movement in any of the unobservable inputs is likely to have an impact on the fair value of investment property. The higher the net market income or 10-year compound annual growth rate, the higher the fair value. The higher the capitalisation rate, terminal yield or discount rate, the lower the fair value.

Unobservable inputs	Details
Capitalisation rate	The rate at which net market income is capitalised to determine the value of a property.
Discount rate	The rate of return used to convert a monetary sum, payable or receivable in the future, into present value. This should reflect the opportunity cost of capital; that is, the required rate of return the capital can earn if put to other uses having regard to a similar risk profile.
Terminal yield	The capitalisation rate used to convert income into an indication of the anticipated value of the property at the end of the holding period when carrying out a discounted cash flow calculation.
Market rent and growth rate	The rent at which a tenancy could be leased in the market, including rental growth in future years at the date of valuation. Market rent includes gross rent and net rent. Gross rent is where outgoings are incorporated in the rent being paid. Net market rent is where the owner recovers outgoings from the tenant on a pro-rata basis.
Market rate	The market rate per square metre uses recent transactional evidence of comparable properties to determine the fair value of the investment property under the direct comparison method.

The discounted cash flow, capitalisation rate, residual valuation and direct comparison 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 %	Market rate $/sqm	Terminal yield %	Discount rate %
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**	**—**	**—**	**—**	**—**	**—**	**—**
2022							
Office	7,054	365 – 1,199	2.60 – 4.20	4.50 – 6.75	—	4.75 – 7.00	6.00 – 7.75
Industrial	1,583	110 – 410	3.27 – 3.32	3.50 – 5.00	—	3.75 – 5.25	4.88 – 6.25
Retail	2,918	314 – 1,127	1.87 – 4.13	4.75 – 8.75	865 – 1,612	5.00 – 9.00	6.00 – 9.50
Build to Rent	634	547[1]	3.30	4.00	—	4.00	6.25
Total investment properties	12,189	—	—	—	—	—	—

1. Average net market income per apartment per week.

Notes to the consolidated financial statements

C PROPERTY AND DEVELOPMENT ASSETS *continued*

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 has been undertaken to further stress test the Group's assessment of fair value as at 30 June 2023.

The following sensitivity analysis is based on upward and downward movements 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 30 June 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 the 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 office JV but excluding IPUC and development assets) 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 $342m in addition to the fair value presented as at 30 June 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	(342)	(718)	383	805
Industrial	(72)	(138)	81	172
Retail	(103)	(198)	113	229
Total	**(517)**	**(1,054)**	**577**	**1,206**

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 30 June 2023 was not material.

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 G1 for details on how Mirvac decides if it controls an entity. Refer to note I3 for the Group's joint venture and associate entities and ownership percentages.

Mirvac initially records its investment in JVAs at cost and subsequently accounts for them using the equity method. Under the equity method, the Group's share of the JVA's profit or loss is added to/deducted from the carrying amount each year. Distributions received or receivable are recognised by reducing the carrying amount of the JVA.

When transactions between Mirvac and its JVAs create an unrealised gain, the Group eliminates the unrealised gain relating to Mirvac's proportional interest in the JVA. Unrealised losses are eliminated in the same way unless there is evidence of impairment, in which case the loss is realised.

Judgement in testing for impairment of investments in JVA

At each reporting period, the Group assesses whether there is any indication that its investments in JVAs may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset. The recoverable amount is calculated as the estimated present value of future distributions to be received from the JVA and from its ultimate disposal. There were no impairments of JVAs in 2023 (2022: nil).

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

Movements in the carrying amount of JVA	2023 $m	2022 $m
Balance 1 July	**1,481**	783
Share of profit	**38**	111
Equity acquired	**744**	73
Other movements	**7**	(33)
Transfer from inventories	**2**	—
Transfer from investment properties	**469**	819
Business combinations[1]	**(310)**	—
Return of capital	**(1)**	(174)
Distributions received/receivable	**(128)**	(98)
Balance 30 June	**2,302**	1,481

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.

Notes to the consolidated financial statements

C PROPERTY AND DEVELOPMENT ASSETS *continued*

The tables below provide summarised financial information for those JVAs that are significant to the Group.

The information presented reflects the total amounts presented in the financial statements of the relevant JVAs and not the Group's share, unless otherwise stated. The information has been amended to reflect any unrealised gains or losses on transactions between Mirvac and its JVAs.

Summarised financial information for joint ventures and associates

	The George Street Trust		Mirvac Wholesale Office Fund [1]		LIV Mirvac Property Trust [2]		Mirvac (Old Treasury) Trust [3]		Mirvac 8 Chifley Trust [3]		Mirvac Locomotive Trust [3]		MIV Switchyards Trust [4]		Other joint ventures and associates		Total joint ventures and associates	
	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m	2023 $m	2022 $m
Principal activities	Property investment		Property investment		Property investment		Property investment		Property investment		Property investment		Property investment		Various			
Accounting classification	Joint venture		Associate		Joint venture		Joint venture		Joint venture		Joint venture		Joint venture		Various			
Summarised SoFP																		
Cash and cash equivalents	1	4			3	—	6	6	9	7	3	4	—	—	109	98		
Other current assets	9	12			2	—	1	—	1	1	2	3	1	5	56	100		
Total current assets	10	16	65	—	5	—	7	6	10	8	5	7	1	5	165	198	268	240
Total non-current assets	1,087	1,159	7,359	—	897	—	512	497	441	462	443	471	362	131	365	361	11,466	3,081
Total assets	1,097	1,175	7,424	—	902	—	519	503	451	470	448	478	363	136	530	559	11,734	3,321
Borrowings	—	—			—	—	—	—	—	—	—	—	—	—	—	—		
Other current liabilities	11	18			37	—	8	7	7	6	5	7	—	1	29	41		
Total current liabilities	11	18	652	—	37	—	8	7	7	6	5	7	—	1	29	41	749	80
Borrowings	—	—			250	—	—	—	—	—	—	—	—	—	20	64		
Other non-current liabilities	—	—			—	—	—	—	—	—	—	—	—	—	160	160		
Total non-current liabilities	—	—	969	—	250	—	—	—	—	—	—	—	—	—	180	224	1,399	224
Total liabilities	11	18	1,621	—	287	—	8	7	7	6	5	7	—	1	209	265	2,148	304
Net assets	1,086	1,157	5,803	—	615	—	511	496	444	464	443	471	363	135	321	294	9,586	3,017
Group's ownership of the joint ventures and associates in %	50	50	8	—	44	—	50	50	50	50	51	51	51	51	—	—	—	—
Group's share of net assets in $m	544	579	459	—	272	—	255	248	222	232	226	240	185	69	161	148	2,324	1,516
Carrying amount in Group's consolidated SoFP	544	579	459	—	272	—	249	242	205	216	222	223	185	71	166	150	2,302	1,481

1. This entity became a JVA on 20 March 2023.
2. This entity was previously consolidated into the Group, however control was lost on 29 June 2023 and it is now accounted for as a JVA. Refer note G3.
3. The difference between the carrying amount and the Group's share in the net assets of its investment is a result of eliminations due to the Group's transactions with its investee.
4. This entity was formerly known as Duck River Auburn Trust. This entity was accounted for as a JVA up to 30 June 2022. Control was gained on 1 July 2022 at which point the entity was consolidated into the Group. Control was then lost on 2 June 2023 and the entity is accounted for as a JVA again from this date. Refer note G3.

Notes to the consolidated financial statements

C PROPERTY AND DEVELOPMENT ASSETS *continued*

	The George Street Trust		Mirvac Wholesale Office Fund [1]		LIV Mirvac Property Trust [2]		Mirvac (Old Treasury) Trust		Mirvac 8 Chifley Trust		Mirvac Locomotive Trust		MIV Switchyards Trust [3]		Other joint ventures and associates		Total joint ventures and associates	
	2023 $m	**2022 $m**	**2023 $m**	**2022 $m**	**2023 $m**	**2022 $m**	**2023 $m**	**2022 $m**	**2023 $m**	**2022 $m**	**2023 $m**	**2022 $m**	**2023 $m**	**2022 $m**	**2023 $m**	**2022 $m**	**2023 $m**	**2022 $m**
Principal activities	Property investment		Property investment		Property investment		Property investment		Property investment		Property investment		Property investment		Various			
Accounting classification	Joint venture		Associate		Joint venture		Joint venture		Joint venture		Joint venture		Joint venture		Various			
Summarised SoCI																		
Revenue	**64**	50	**112**	—	**—**	—	**42**	42	**23**	23	**31**	28	**—**	—	**334**	264	**606**	407
Interest income	**—**	—			**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**2**	—		
Other income [4]	**—**	6			**—**	—	**11**	5	**—**	2	**—**	—	**—**	15	**2**	2		
Total revenue and other income	**64**	56			**—**	—	**53**	47	**23**	25	**31**	28	**—**	15	**338**	266		
Interest expense	**—**	—			**—**	—	**—**	—	**—**	—	**—**	—	**—**	—	**2**	6		
Depreciation and amortisation expenses	**4**	3			**—**	—	**—**	—	**—**	—	**6**	3	**—**	—	**4**	3		
Other expenses [4]	**85**	11			**—**	—	**8**	9	**31**	5	**36**	5	**—**	—	**199**	188		
(Loss)/profit from continuing operations	**(25)**	42	**(558)**	—	**—**	—	**45**	38	**(8)**	20	**(11)**	20	**—**	15	**133**	69	**(424)**	204
Distributions received/ receivable by the Group from joint ventures and associates	**23**	19	**5**	—	**—**	—	**15**	15	**10**	10	**8**	10	**—**	—	**67**	44	**128**	98

1. This entity became a JVA on 20 March 2023.
2. This entity was previously consolidated into the Group, however control was lost on 29 June 2023 and it is now accounted for as a JVA. Refer note G3.
3. This entity was formerly known as Duck River Auburn Trust. This entity was accounted for as a JVA up to 30 June 2022. Control was gained on 1 July 2022 at which point the entity was consolidated into the Group. Control was then lost on 2 June 2023 and the entity is accounted for as a JVA again from this date. Refer note G3.
4. Other income includes revaluation gain on investment properties. Other expenses includes revaluation loss on investment properties.

Capital expenditure commitments

At 30 June 2023, the Group's share of its JVA's capital commitments that have been approved but not yet provided for was $147m (2022: $56m).

Notes to the consolidated financial statements

C PROPERTY AND DEVELOPMENT ASSETS *continued*

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 or otherwise, they are classified as non-current.

Development projects

Development projects are valued at the lower of cost and net realisable value (NRV). Following a review and assessment of the project forecasts and new development opportunities, there were inventory impairments recognised during the year of $31m (2022: $15m); refer to note B3.

Cost includes the costs of acquisition, development, interest capitalised and all other costs directly related to specific projects. An allocation of direct overhead expenses is also included.

Judgement in calculating 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 at which a given lot or asset is sold at.
Sales incentives	Recognised as a percentage of the purchase price, which is allocated to either direct or indirect expenditure to induce the sale of a lot.
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	2023	2022
Inventory represented by	**MPC $m**	**Apartments $m**	**Total $m**	**Total $m**	**Total $m**	**Total $m**
Current inventory	**320**	**823**	**1,143**	**394**	**1,537**	627
Provision for impairment	**(32)**	**(1)**	**(33)**	**—**	**(33)**	(5)
Total current inventory	**288**	**822**	**1,110**	**394**	**1,504**	622
Non-current inventory	**909**	**621**	**1,530**	**263**	**1,793**	1,703
Provision for impairment	**(4)**	**(47)**	**(51)**	**(7)**	**(58)**	(64)
Total non-current inventory	**905**	**574**	**1,479**	**256**	**1,735**	1,639
Total inventories	**1,193**	**1,396**	**2,589**	**650**	**3,239**	2,261

Notes to the consolidated financial statements

C PROPERTY AND DEVELOPMENT ASSETS *continued*

Movements in inventories	Residential MPC $m	Residential Apartments $m	Residential Total $m	Commercial & Mixed Use Total $m	2023 Total $m	2022 Total $m
Balance 1 July[1]	1,202	921	2,123	138	2,261	2,093
Costs incurred	368	661	1,029	274	1,303	1,330
Settlements	(351)	(180)	(531)	(247)	(778)	(1,161)
Provision for impairment of inventories	(25)	—	(25)	—	(25)	(5)
Inventory costs written off	—	(6)	(6)	—	(6)	(10)
Transfer from investment properties	—	—	—	487	487	37
Transfer to JVAs	—	—	—	(2)	(2)	—
Transfer to other assets	(1)	—	(1)	—	(1)	(23)
Balance 30 June	1,193	1,396	2,589	650	3,239	2,261

1. Opening balance restated to reflect transfer of a project from Residential to Commercial & Mixed Use with a carrying value of $2m.

Capital expenditure commitments

At 30 June 2023, capital commitments on Mirvac's inventories were $2m (2022: nil).

D OPERATING ASSETS AND LIABILITIES

D1 RECEIVABLES

Receivables are initially recognised at their fair value. Receivables are subsequently measured at amortised cost using the effective interest rate method, less loss allowance if required. Due to the short-term nature of current receivables, their carrying amount (less loss allowance) is assumed to be the same as their fair value.

For the majority of the non-current receivables, the carrying amount is also not significantly different to their fair value. The expected credit loss (ECL) of receivables is reviewed on an ongoing basis. The Group applies the simplified approach to measuring ECL as appropriate based on the different characteristics of each financial asset class. To measure the ECL, management has grouped together its receivables based on shared credit risk characteristics and the days past due. The Group uses judgement in making assumptions about risk of default and ECL rates and the inputs to the impairment calculation, based on the Group's past history, existing market conditions and future looking estimates at the end of each reporting period. Receivables that are determined to be uncollectable are written off.

For loans receivable, at inception of a loan, an ECL provision is recognised which considers the following:

> The historical bad debt write offs incurred for similar loan arrangements; and
> The collateral held over the loan; and
> The creditworthiness of the borrower.

Over the life of the loan, the risk profile is reassessed in accordance with the three-stage approach.

- **Stage 1 – Performing** includes loans that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these loans, 12-month expected credit losses are recognised and interest revenue is calculated on the gross carrying amount of the loan.
- **Stage 2 – Underperforming** includes loans that have had a significant increase in credit risk since initial recognition but are not credit-impaired. For these loans a lifetime ECL over the life of the loan is recognised, and interest revenue is still calculated on the gross carrying amount of the asset.
- **Stage 3 – Non-performing** consists of loans that are credit-impaired, which is when one or more events that have a detrimental impact on the estimated future cash flows of the loan has occurred. For these assets, a lifetime ECL is also recognised, but interest revenue is calculated on the net carrying amount (net of the ECL provision).

The consideration of the stage of the loan requires significant judgement, in particular when assessing whether there has been a significant increase in credit risk and in estimating ECL provision.

As at 30 June 2023, the Group did not have any stage 2 or stage 3 loans receivable (2022: nil).

Notes to the consolidated financial statements

D OPERATING ASSETS AND LIABILITIES *continued*

	2023 Gross $m	2023 Loss allowance $m	2023 Net $m	2022 Gross $m	2022 Loss allowance $m	2022 Net $m
Current receivables						
Trade receivables	**42**	**(10)**	**32**	40	(19)	21
Loans to unrelated parties	**74**	**—**	**74**	70	—	70
Other receivables	**67**	**—**	**67**	53	—	53
Total current receivables	**183**	**(10)**	**173**	163	(19)	144
Non-current receivables						
Loans to unrelated parties	**39**	**—**	**39**	16	—	16
Other receivables	**14**	**—**	**14**	14	—	14
Total non-current receivables	**53**	**—**	**53**	30	—	30
Total receivables	**236**	**(10)**	**226**	193	(19)	174

Movements in loss allowance	2023 $m	2022 $m
Balance 1 July	**(19)**	(74)
Loss allowance recognised	**—**	(24)
Amounts utilised for write-off of receivables	**9**	79
Balance 30 June	**(10)**	(19)

Ageing	Not past due $m	Days past due 1 – 30 $m	Days past due 31 – 60 $m	Days past due 31 – 60 $m	Days past due 91 – 120 $m	Days past due Over 120 $m	Total $m
Trade receivables[1]	**27**	**4**	**3**	**1**	**1**	**6**	**42**
Loans	**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**
Trade receivables[1]	13	6	2	3	2	14	40
Loans	86	—	—	—	—	—	86
Other receivables	67	—	—	—	—	—	67
Loss allowance	—	—	(1)	(2)	(2)	(14)	(19)
Balance 30 June 2022	166	6	1	1	—	—	174

1. The Group has recognised a provision for impairment for all investment property tenant trade receivables that are greater than 30 days overdue.

The Group does not have any significant credit risk exposure to a single customer. The Group holds collateral of $153m (2022: $166m). 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. Refer to note E5 for further details on the Group's exposure to and management of credit risk.

Notes to the consolidated financial statements

D OPERATING ASSETS AND LIABILITIES *continued*

D2 OTHER FINANCIAL ASSETS

Investments in unlisted entities

The Group holds units in unlisted entities that do not give Mirvac control, as explained in note G1, or significant influence, as explained in note C3. Distributions received are recognised in revenue and any changes in fair value are recognised in the gain or loss on financial instruments in the consolidated SoCI.

Fair value measurement

Other financial assets are carried at fair value. Fair value is estimated as explained in note E6.

	2023 $m	2022 $m
Non-current		
Investments in unlisted entities	**74**	73
Total other financial assets	**74**	73

D3 INTANGIBLE ASSETS

Mirvac's intangible assets consists of goodwill, management rights and software.

Goodwill

The goodwill acquired in a business combination is attributable to the profitability of the acquired business, as well as benefits derived from the acquired workforce and other intangible assets that cannot be separately recognised. The goodwill is not expected to be deductible for income tax.

Management rights

Management rights are the rights to manage properties and funds and have been initially recognised at fair value as part of business combinations. Management rights relating to office are estimated to have a useful life of 10 years and are carried at cost less accumulated amortisation and impairment losses. Management rights relating to retail are considered to be open-ended and therefore have no expiry. Management considers the useful life as indefinite and the management rights are tested annually for impairment.

Software

Software consists of purchased and internally generated capitalised development costs where it is evident that these costs will generate probable future economic benefits. Software is held at cost less accumulated amortisation. Once ready for use, the Group amortises software using a straight-line method over the estimated useful life.

Costs incurred to configure or customise cloud computing software, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as an expense when the services are received. In a contract where the cloud provider provides both the SaaS configuration and customisation, and the SaaS access over the contract term, the services are assessed to determine if they are distinct. Where the services are not distinct, the configuration and customisation costs incurred are capitalised on the consolidated SoFP as a prepayment and expensed over the SaaS contract term.

The breakdown of intangible assets by type and operating segment is set out below.

Carrying amounts	Balance 1 July 2021 $m	Additions $m	Transfers $m	Balance 30 June 2022 $m	Additions $m	Amortisation $m	Balance 30 June 2023 $m
Goodwill [1]							
Investment	36	—	—	36	**—**	**—**	**36**
Funds	31	—	—	31	**—**	**—**	**31**
Total goodwill	67	—	—	67	**—**	**—**	**67**
Management rights							
Funds	9	—	—	9	**—**	**(2)**	**7**
Total management rights	9	—	—	9	**—**	**(2)**	**7**
Software under development							
Unallocated	2	1	(2)	1	**1**	**—**	**2**
Total software under development	2	1	(2)	1	**1**	**—**	**2**
Software							
Unallocated	—	—	2	2	**1**	**(1)**	**2**
Total software	—	—	2	2	**1**	**(1)**	**2**
Total intangible assets	78	1	—	79	**2**	**(3)**	**78**

1. Goodwill has been allocated between Investment and Funds following changes to the Group's reporting segments. Refer to note A Basis of preparation and note B1 Segment Information. The goodwill was allocated based on the segment to which the asset belongs.

Notes to the consolidated financial statements

D OPERATING ASSETS AND LIABILITIES *continued*

Management rights

Management rights include property management rights for office and retail properties managed by the Group. Management rights with a finite life are amortised using the straight-line method over their useful life. For indefinite management rights, the Group tests for impairment at the reporting date. Assets are impaired if the carrying value exceeds their recoverable amount. The recoverable amount is determined using a discounted cash flow. A 13.5 per cent pre-tax discount rate and 2.0 – 4.2 per cent growth rate have been applied to the cash flow projections.

Goodwill

Goodwill acquired in a business combination is tested annually for impairment. Goodwill is impaired if the recoverable amount, calculated as the higher of the value in use and the fair value less costs to sell, is less than its carrying amount. For the purpose of assessing impairment, assets are grouped at the lowest levels for which goodwill is monitored for internal management purposes and allocated to cash generating units (CGU). The estimation of the recoverable amount of goodwill depends on the nature of the CGU. The value in use is the discounted present value of estimated cash flows that the CGU will generate.

In the prior year, the Group's goodwill was allocated to the CGU of Integrated Investment Portfolio operating segment, however following the change in the Group's operating segments effective 1 March 2023, this has been reallocated to the Investment operating segment and the Funds operating segment. These CGUs will directly benefit from the synergies realised from the business combination where the goodwill arose.

The key assumptions used to determine the forecast cash flows in the goodwill models include:

		Inputs used		
Key assumption	**Details of key assumption**	**Investment 2023**	**Funds 2023**	**Integrated Investment Portfolio 2022**
Net market rent	The rent at which a tenancy could be leased in the market, including outgoings recovery.	Lease specific assumptions, including let up periods and incentives.	Not applicable.	Lease specific assumptions, including let up periods and incentives.
Other cash flows	Fees derived from investment management and asset management services.	Cash flows from the Management & Administration expense.	Cash flows from Asset & Funds Management and the associated Management & Administration expense.	Cash flows from Asset & Funds Management and the associated Management & Administration expense.
Capital expenditure	The amount of additional investment required to upgrade or maintain the Group's investment properties.	Investment property assumptions based on the age and condition of the property.	Not applicable.	Investment property assumptions based on the age and condition of the property.
Growth rate	The rate at which cash flows will grow over time. The growth rate has been adjusted to reflect current market conditions and does not exceed the long-term average growth rate. The cash flow projections are based on management-approved forecasts covering an initial period of five years and the subsequent five years are based on a growth rate.	3.2%	3.2%	3.0 – 3.5%
Cash flow period	AASB 136 *Impairment of Assets* recommends that cash flow projections should cover a maximum period of five years, unless a longer period can be justified. As the cash flow projections used for budgeting and forecasting are based on long-term, predictable and quantifiable leases, with renewal assumptions based on asset class and industry experience, management is comfortable that a ten year cash flow projection is appropriate.	10 years	10 years	10 years
Terminal growth rate	The constant rate that cash flows are expected to grow at into perpetuity.	3.0%	3.0%	2.5%
Pre-tax discount rate	The rate of return used to convert cash flows into present value, these are specific to the risks of each of the cash flows within the Investment and Funds segments. The Investment segment uses the weighted investment property portfolio discount rate. In the prior year, a premium adjustment was applied to thisrate on the basis that a prospective purchaser would expect there to be multiple benefits to acquiring a portfolio of assets. The Funds segment uses a price-to-earnings multiple.	6.3%	13.1%	5.8 – 11.5%

Notes to the consolidated financial statements

D OPERATING ASSETS AND LIABILITIES *continued*

Sensitivity

If the cash flow projections used in the value in use calculations increased or decreased the pre-tax discount rate by 50 bps and the terminal growth rate or growth rate were increased or decreased by 50 bps, and 100 bps respectively, the Group would have sufficient headroom and this would not result in an impairment.

Based on information available and market conditions as at 30 June 2023 and up to the date of this report, management have considered that a reasonably foreseeable change in the other assumptions used in the goodwill assessment would not result in an impairment to the value of goodwill as at 30 June 2023.

D4 PAYABLES

Payables are measured at amortised costs. Due to the short-term nature of current payables, their carrying amount is assumed to be the same as their fair value. For the majority of non-current payables, the carrying amount is also not significantly different to their fair value.

Trade payables due more than 12 months after year end are classified as non-current.

	2023 $m	2022 $m
Current		
Trade payables	**68**	47
Accrued expenses	**455**	510
Deferred land payable	**313**	91
Annual leave accrued	**26**	26
Other payables	**68**	56
Total current payables	**930**	730
Non-current		
Deferred land payable	**373**	569
Other payables	**6**	2
Total non-current payables	**379**	571
Total payables	**1,309**	1,301

D5 PROVISIONS

Long service leave (LSL)

Where the LSL provision is expected to be settled more than 12 months after year end, the expected future payments are discounted to present value. The corporate bond rates used to discount the expected future payments have maturities aligned to the estimated timing of future cash flows.

In calculating the LSL provision, judgement is required to estimate future wages and salaries, on-cost rates and employee service periods.

Distribution payable

A provision is made for the amount of distribution declared at or before year end but not yet paid; refer to note F1.

Warranties

The Group is obliged to rectify any defective work during the warranty period of its developments. Warranties are also known as post-completion maintenance costs.

Movements in each class of provision during the year are set out below:

	Long service leave $m	Distribution payable $m	Warranties $m	Other $m	Total $m
Balance 1 July 2022	21	202	20	—	243
Additional provisions	4	414	20	11	449
Payments made/amounts utilised	(3)	(407)	(11)	—	(421)
Balance 30 June 2023	**22**	**209**	**29**	**11**	**271**
Current	**15**	**209**	**26**	**10**	**260**
Non-current	**7**	**—**	**3**	**1**	**11**

Notes to the consolidated financial statements

E CAPITAL STRUCTURE AND RISKS

This section outlines the market, credit and liquidity risks that the Group is exposed to and how it manages these risks. Capital comprises stapled securityholders' equity and net debt.

E1 CAPITAL MANAGEMENT

Mirvac has a capital management framework, approved and monitored by the Board. The framework aims to address the market, credit and liquidity risks while also meeting the Group's strategic objectives.

These objectives include:

> The Group's target allocation of capital is between 20 and 30 per cent to development, which includes IPUC and development inventory, with the current allocation being 23 per cent;

> The Group's distribution policy is a minimum of trust taxable earnings and up to 80 per cent of operating earnings. The payout ratio for FY23 was 71.4 per cent;

> The Group's target credit rating is Fitch A- and Moody's A3, which was maintained as at 30 June 2023; and

> The Group's target gearing ratio is between 20 and 30 per cent and was 25.9 per cent as at 30 June 2023.

If the Group is required to change its gearing ratio, it could adjust its payout ratio, issue new equity, buy back securities, or realise capital through disposals of investment properties to repay borrowings.

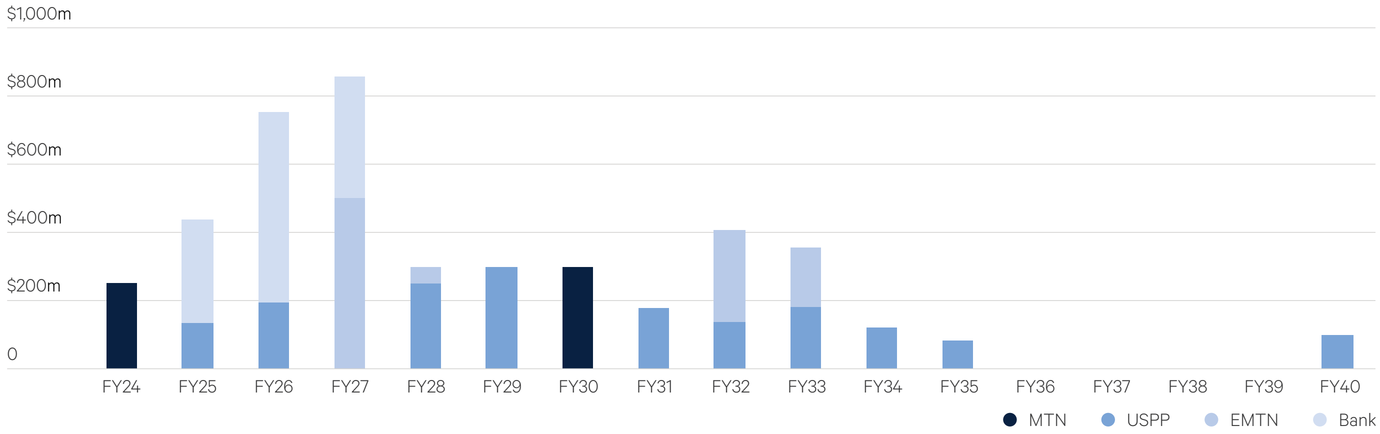
The Group was in compliance with all debt covenants in 2023 and in the prior year.

The Group uses derivatives to hedge its underlying exposures to changes in interest rates on its borrowings and to changes in foreign exchange rates on its foreign currency transactions.

E2 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 30 June 2023, the Group had $1,352m of cash and committed undrawn facilities available.

Drawn debt sources and expiries as at 30 June 2023



Notes to the consolidated financial statements

E CAPITAL STRUCTURE AND RISKS *continued*

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.

	2023				2022			
	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	**—**	**1,213**	**1,213**	**1,213**	—	818	818	818
Bonds	**250**	**3,024**	**3,274**	**3,274**	281	3,123	3,404	3,397
Total unsecured borrowings	**250**	**4,237**	**4,487**	**4,487**	281	3,941	4,222	4,215
Prepaid borrowing costs	**—**	**(11)**	**(11)**	**(11)**	—	(11)	(11)	(11)
Total borrowings	**250**	**4,226**	**4,476**	**4,476**	281	3,930	4,211	4,204
Undrawn facilities			**1,230**				810	
Other								
Lease liabilities	**8**	**56**	**64**	**64**	8	72	80	80

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.

The following table sets out Mirvac's net exposure to interest rate risk by maturity periods. Exposures arise predominantly from liabilities bearing variable interest rates as the Group intends to hold fixed rate liabilities to maturity.

		Fixed interest maturing in						Fixed interest maturing in				
	Floating interest rate $m	Less than 1 year $m	1 to 2 years $m	2 to 5 years $m	Over 5 years $m	2023 Total $m	Floating interest rate $m	Less than 1 year $m	1 to 2 years $m	2 to 5 years $m	Over 5 years $m	2022 Total $m
Bank loans	**1,213**	**—**	**—**	**—**	**—**	**1,213**	818	—	—	—	—	818
Bonds	**2,221**	**250**	**25**	**150**	**582**	**3,228**	2,515	50	250	75	382	3,272
Interest rate derivatives	**(1,600)**	**150**	**550**	**1,100**	**(200)**	**—**	(900)	400	300	400	(200)	—
Total	**1,834**	**400**	**575**	**1,250**	**382**	**4,441**	2,433	450	550	475	182	4,090

E3 CASH FLOW INFORMATION

For the purpose of presentation in the consolidated SoCF, cash and cash equivalents include cash at bank and short-term deposits at call.

Reconciliation of profit to operating cash flow	2023 $m	2022[1] $m
(Loss)/profit from continuing operations	**(165)**	906
Revaluation of investment properties	**480**	(347)
Share of net profit of joint ventures and associates	**(38)**	(109)
JVA distributions received	**130**	95
Net loss/(gain) on disposal of assets	**23**	(15)
Net gain on financial instruments	**(26)**	(64)
Impairment of inventory and other assets	**66**	15
Depreciation and amortisation expenses	**55**	77
Impairment loss on receivables	**—**	24
Security-based payments expense	**14**	15
Change in operating assets and liabilities	**(596)**	298
Net cash (outflows)/inflows from operating activities	**(57)**	895

1. The comparative amounts have been restated, refer to note A Basis of preparation.

Notes to the consolidated financial statements

E CAPITAL STRUCTURE AND RISKS *continued*

Net debt reconciliation

	Liabilities from financing activities						
	Current lease liabilities $m	Non-current lease liabilities $m	Current borrowings $m	Non-current liabilities $m	Total liabilities $m	Cash and cash equivalents $m	Total $m
Balance 1 July 2021	(4)	(64)	—	(3,922)	(3,990)	117	(3,873)
Net cash flow movements	(12)	—	(219)	(173)	(404)	441	37
Other non-cash movements	8	(8)	(62)	165	103	—	103
Balance 30 June 2022	(8)	(72)	(281)	(3,930)	(4,291)	558	(3,733)
Net cash flow movements	**16**	**—**	**190**	**(536)**	**(330)**	**(436)**	**(766)**
Other non-cash movements	**(16)**	**16**	**(159)**	**240**	**81**	**—**	**81**
Balance 30 June 2023	**(8)**	**(56)**	**(250)**	**(4,226)**	**(4,540)**	**122**	**(4,418)**

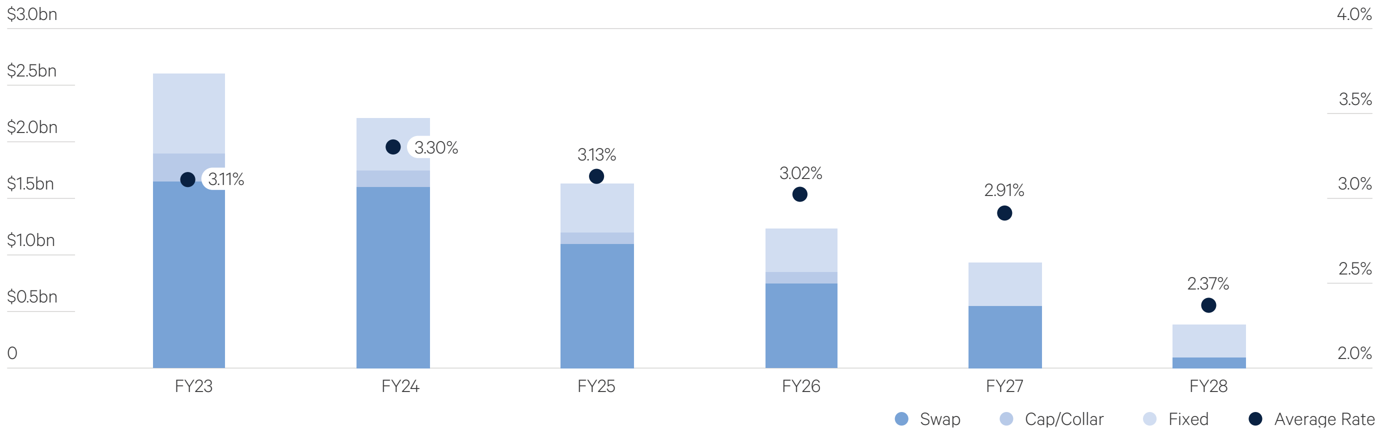
E4 DERIVATIVE FINANCIAL INSTRUMENTS

Mirvac uses derivative financial instruments to hedge its exposure to movements in interest and foreign exchange rates and not for trading or speculative purposes. Refer to note E5 for further details of how Mirvac manages financial risk.

Hedging profile at 30 June 2023

Derivatives are classified as held for trading and accounted for at fair value through profit or loss unless they are designated as hedges. All derivative financial instruments used for hedge accounting are recognised initially at fair value and reported subsequently at fair value in the consolidated SoFP.

The chart below shows the net amount of debt subject to fixed interest rates and the maximum average fixed interest rate payable each year:



Derivatives that qualify for hedge accounting

Mirvac's treasury policy sets out the hedging strategy and objectives to manage exposures arising from fluctuations in interest rates and foreign currency exchange rates.

At implementation, Mirvac formally designates and documents the relationship between hedging instruments (cross currency interest rate swaps only) and the hedged items (foreign currency bonds) as well as the proposed effectiveness of the risk management objective that the hedge relationship addresses. On an ongoing basis, Mirvac documents its assessment of retrospective and prospective hedge effectiveness of all hedge relationships for changes in fair values or cash flows.

Fair value hedge

A fair value hedge is a hedge of the exposure to changes in fair value of an asset or liability (such as a bond) that is attributable to a particular risk (such as movements in interest rates).

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in the consolidated SoCI, together with any changes in the fair value of the hedged asset/liability that are attributable to the hedged risk.

Notes to the consolidated financial statements

E CAPITAL STRUCTURE AND RISKS *continued*

Cash flow hedge

A cash flow hedge is a hedge of the exposure to variability in cash flows attributable to a particular risk associated with an asset, liability or highly probable forecast transaction that could affect profit or loss.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in equity via the cash flow hedge reserve. Any gain or loss relating to the ineffective portion is recognised in the consolidated SoCI.

Cost of hedging

Currency basis spread is a liquidity premium that is charged for exchanging different currencies, and the changes over time impacting the fair value of cross currency swaps. Mirvac defers the change in fair value to currency basis spreads in the cost of hedging reserve.

All derivatives require settlement on a monthly or quarterly basis. Translation gains or losses on the net investment in foreign operations are recorded through the foreign currency translation reserve.

	2023		2022	
	Asset $m	Liability $m	Asset $m	Liability $m
Current				
Interest rate derivatives – through profit or loss	**21**	**9**	4	6
Forward exchange contracts – through profit or loss	**1**	**—**	—	—
Cross currency interest rate swaps – cash flow hedge	**—**	**—**	62	—
Total current derivative financial instruments	**22**	**9**	66	6
Non-current				
Interest rate derivatives – through profit or loss	**18**	**35**	15	42
Forward exchange contracts – through profit or loss	**2**	**—**	—	—
Cross currency interest rate swaps – cash flow hedges	**160**	**94**	161	69
Total non-current derivative financial instruments	**180**	**129**	176	111
Total derivative financial assets/liabilities	**202**	**138**	242	117

Master netting arrangements – not currently enforceable

Agreements with derivative counterparties are based on an ISDA Master Agreement. Under the terms of these arrangements, only where certain credit events occur (such as default), may the net position owing/receivable to a single counterparty in the same currency be taken as owing and all the relevant derivative arrangements terminated. As the Group does not presently have a legally enforceable right of set-off, these amounts have not been offset in the consolidated SoFP. If a credit event had occurred, the ISDA Master Agreement would have the effect of netting, allowing a reduction to derivative assets and derivative liabilities of the same amount of $122 million (2022: $101 million).

Notes to the consolidated financial statements

E CAPITAL STRUCTURE AND RISKS *continued*

E5 FINANCIAL RISK MANAGEMENT

Mirvac's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. Mirvac seeks to minimise the potential impact of these financial risks on financial performance; for example, by using derivative financial instruments to protect against interest rate and foreign exchange risk.

Financial risk management is carried out by a central treasury department (Mirvac Group Treasury) under policies approved by the Board. The Board provides overall risk management principles and policies covering specific areas. Mirvac Group Treasury identifies, evaluates, reports and manages financial risks in close cooperation with the Group's operating units in accordance with Board policy.

The table below summarises key financial risks and how they are managed:

Risk	Definition	Exposures arising from	Management of exposures
Market risk – interest rate	The risk that the fair value or cash flows of financial instruments will fluctuate due to changes in market interest rates	> Borrowings issued at fixed rates and variable rates > Derivatives	> Interest rate derivatives manage cash flow interest rate risk by converting floating rate borrowings to fixed or capped rates with target of 55 per cent > Mirvac does not manage the fair value risk for debt instruments from interest rates, as it does not have an impact on the cash flows paid by the business > Refer to note E2 for details on the interest rate exposure for borrowings
Market risk – foreign exchange	The risk that the fair value of a financial commitment, asset or liability will fluctuate due to changes in foreign exchange rates	> Bonds denominated in other currencies > Receipts and payments that are denominated in other currencies	> Cross currency interest rate swaps to convert non-Australian dollar borrowings to Australian dollar exposures. These cross currency interest rate swaps have been designated as cash flow hedges with the movements in fair value recognised while they are still in an effective hedge relationship
Market risk – price	The risk that the fair value of other financial assets at fair value through profit or loss will fluctuate due to changes in the underlying share/unit price	> Other financial assets at fair value through profit or loss, with any resultant gain or loss recognised in other comprehensive income	> The Group is exposed to minimal price risk and so does not manage the exposures
Credit risk	The risk that a counterparty will not make payments to Mirvac as they fall due	> Cash and cash equivalents > Receivables > Derivative financial assets > Other financial assets	> Setting credit limits and obtaining collateral as security (where appropriate) > Diversified trading spread across large financial institutions with investment grade credit ratings > Regularly monitoring the exposure to each counterparty and their credit ratings > Refer to note D1 for details on credit risk exposure on receivables. The Group deems the exposure to credit risk as not significant for all other classes of financial assets and liabilities
Liquidity risk	The risk that Mirvac will not be able to meet its obligations as they fall due	> Payables > Borrowings > Derivative financial liabilities	> Regular forecasts of the Group's liquidity requirements. Surplus funds are only invested in highly liquid instruments > Availability of cash, marketable securities and committed credit facilities > Ability to raise funds through issue of new securities through placements or DRP > Refer to note E2 for details of liquidity risk of the Group's financing arrangements

Notes to the consolidated financial statements

E CAPITAL STRUCTURE AND RISKS *continued*

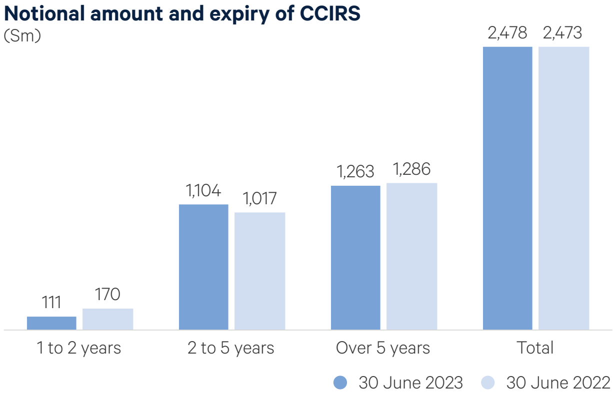
Market risk

Foreign exchange risk

The cross currency interest rate swaps (CCIRS) that are in place cover 100 per cent of the foreign denominated bonds (interest payments and redemption value) with the same maturity profiles as the bonds. This removes exposure to foreign exchange movements between the foreign currencies and Australian dollar.

Foreign currency transactions are translated into the entity's functional currency using the exchange rate at the transaction date. Foreign exchange gains and losses resulting from settling foreign currency transactions and from translating foreign currency monetary assets and liabilities at year end are recognised in the consolidated SoCI.

Notional amount and expiry of CCIRS
(Sm)



Sensitivity analysis – interest rate risk and foreign exchange risk

This sensitivity analysis shows the impact on profit after tax and equity if Australian interest rates changed by 50 basis points (bps).

Given the Group is operating in an interest rate environment that is in a tightening cycle, a 50 bps movement is deemed an appropriate sensitivity to consider for 30 June 2023. The Group has borrowings and CCIRS that reference foreign interest rates and foreign exchange rates; however, these are hedge accounted in effective hedge relationships, therefore the net profit impact is nil.

Total impact on profit after tax and equity		2023 + 50 bps $m	2023 – 50 bps $m	2022 + 100 bps $m	2022 – 100 bps $m
Interest rate risk [1]	*Changes in:* Australian interest rates	**$8.1m decrease**	**$8.7m increase**	$15.5m increase	$14.2m decrease
Foreign exchange risk [2]	Foreign interest rates	**—**	**—**	—	—
Foreign exchange risk [2]	Foreign exchange rates	**—**	**—**	—	—

1. This calculation shows the impact on borrowings, cash and derivative financial instruments held as an economic hedge. It assumes that no interest is capitalised into qualifying assets as discussed in note B3. If fair value movements were excluded, operating profit would reduce if interest rates were to rise.
2. The Group has borrowings and CCIRS that reference foreign interest rates and foreign exchange rates; however, these are hedge accounted in effective hedge relationships, therefore the net profit impact is nil.

Effects of hedge accounting

The effects of the foreign currency-related hedging instruments on the Group's financial position and performance are as follows:

	2023	2022
Carrying amount	**$2,525m**	$2,605m
Original debt amount	**$2,478m**	$2,473m
Original hedged amount	**$2,478m**	$2,473m
Maturity date	**Dec 2024 – Mar 2034**	Dec 2022 – Mar 2034
Hedge ratio	**1:1**	1:1
Change in discounted spot value of outstanding hedging instruments since inception of the hedge	**$48m**	$136m
Change in value of hedged item used to determine hedge ineffectiveness	**($65m)**	($151m)
Weighted average hedged rate for outstanding hedging instruments against AU$1	**US$0.78**	US$0.79
	YEN79.82	YEN79.82
	HK$5.74	HK$5.74

Notes to the consolidated financial statements

E CAPITAL STRUCTURE AND RISKS *continued*

Liquidity risk

Maturities of financial liabilities and derivative financial assets

Mirvac's maturity of financial liabilities and derivative financial assets is provided in the following table. The amounts disclosed in the table are the contractual undiscounted cash flows:

	Maturing in					Maturing in				
	Less than 1 year $m	1 to 2 years $m	2 to 5 years $m	Over 5 years $m	2023 Total $m	Less than 1 year $m	1 to 2 years $m	2 to 5 years $m	Over 5 years $m	2022 Total $m
Payables[1]	**974**	**402**	**—**	**—**	**1,376**	747	242	332	—	1,321
Unsecured bank loans	**53**	**336**	**889**	**—**	**1,278**	22	21	794	—	837
Bonds	**382**	**306**	**1,477**	**2,197**	**4,362**	414	368	1,307	2,167	4,256
Lease liabilities	**8**	**9**	**17**	**30**	**64**	8	7	16	49	80
Net settled derivatives										
Interest rate derivatives – floating to fixed	**(12)**	**(6)**	**10**	**8**	**—**	1	1	16	15	33
Gross settled derivatives (cross currency swaps)										
Outflow	**162**	**265**	**1,422**	**1,510**	**3,359**	289	131	1,360	1,545	3,325
(Inflow)	**(99)**	**(253)**	**(1,461)**	**(1,515)**	**(3,328)**	(328)	(88)	(1,379)	(1,532)	(3,327)
	1,468	**1,059**	**2,354**	**2,230**	**7,111**	1,153	682	2,446	2,244	6,525

1. Includes deferred revenue.

E6 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; and
> **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.

Notes to the consolidated financial statements

E CAPITAL STRUCTURE AND RISKS *continued*

Other financial assets

Other financial assets include units in unlisted entities; refer to note D2 for further details. The carrying value of other financial assets is equal to the fair value.

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 using the valuation methods explained in note C1.

The following table summarises the financial instruments measured and recognised at fair value on a recurring a basis:

	2023				2022			
	Level 1 $m	Level 2 $m	Level 3 $m	Total $m	Level 1 $m	Level 2 $m	Level 3 $m	Total $m
Financial assets carried at fair value								
Investments in unlisted entities	**—**	**—**	**74**	**74**	—	—	73	73
Derivative financial instruments	**—**	**202**	**—**	**202**	—	242	—	242
Total financial assets carried at fair value	**—**	**202**	**74**	**276**	—	242	73	315
Financial liabilities carried at fair value								
Derivative financial instruments	**—**	**138**	**—**	**138**	—	117	—	117
Total financial liabilities carried at fair value	**—**	**138**	**—**	**138**	—	117	—	117

There were no transfers between the fair value hierarchy levels during the 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 funds

	2023 $m	2022 $m
Balance 1 July	**73**	78
Acquisitions	**4**	8
Net (loss)/gain recognised in gain on financial instruments	**(2)**	4
Return of capital	**(1)**	(17)
Balance 30 June	**74**	73

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

Notes to the consolidated financial statements

F EQUITY

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

F1 DISTRIBUTIONS

Half yearly ordinary distributions paid/payable and distribution per security:

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 $83m (2022: $30m).

F2 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 on polls and to a proportional share of proceeds on winding up of Mirvac.

When new securities or options are issued, the directly attributable incremental costs are deducted from equity, net of tax.

Contributed equity

	2023		2022	
	No. securities m	Securities $m	No. securities m	Securities $m
Mirvac Limited – ordinary shares issued	**3,945**	**2,165**	3,942	2,165
MPT – ordinary units issued	**3,945**	**5,368**	3,942	5,362
Total contributed equity		**7,533**		7,527

The total number of stapled securities issued as listed on the ASX at 30 June 2023 was 3,946m (2022: 3,943m), which included 1m of stapled securities issued under the LTI plan and EIS (2022: 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

	2023		2022	
	No. securities	Securities $m	No. securities	Securities $m
Balance 1 July	**3,941,722,042**	**7,527**	3,936,111,448	7,510
Securities issued under EEP[1]	**—**	**—**	401,059	1
LTI vested[2]	**2,790,895**	**6**	5,111,753	15
Legacy schemes vested	**84,869**	**—**	97,782	1
Balance 30 June	**3,944,597,806**	**7,533**	3,941,722,042	7,527

1. Mirvac purchases or issues securities to employees as security-based payments; refer to note F4 for details.
2. Stapled securities issued for LTIs during the year, relate to LTIs granted in prior years.

Notes to the consolidated financial statements

F EQUITY *continued*

F3 RESERVES

Cost of hedging reserve

The cost of hedging reserve is used to record gains or losses on derivatives that relate to the currency basis spread. Currency basis spread is the liquidity premium that is charged for exchanging different currencies, and changes over time impacting the fair value of a cross currency swap.

Cash flow hedge reserve

The cash flow hedge reserve is used to record gains or losses on derivatives that qualify as cash flow hedges and that are recognised in other comprehensive income.

Security-based payments (SBP) reserve

The SBP reserve recognises the SBP expense. Further details on SBP are explained in note F4.

Non-controlling interests (NCI) reserve

The NCI reserve was used to record the discount received on acquiring the non-controlling interest in Mirvac Real Estate Investment Trust in December 2009.

	Note	Cost of hedging reserve $m	Cash flow hedge reserve $m	SBP reserve $m	NCI reserve $m	Capital reserve $m	Total reserves $m
Balance 1 July 2021		9	(34)	31	8	(1)	13
Hedging reserve movements		(7)	—	—	—	—	(7)
Cash flow hedge movements		—	24	—	—	—	24
SBP movements	F4	—	—	(7)	—	—	(7)
Balance 30 June 2022		2	(10)	24	8	(1)	23
Hedging reserve movements		**2**	**—**	**—**	**—**	**—**	**2**
Cash flow hedge movements		**—**	**(4)**	**—**	**—**	**—**	**(4)**
SBP movements	F4	**—**	**—**	**2**	**—**	**—**	**2**
Balance 30 June 2023		**4**	**(14)**	**26**	**8**	**(1)**	**23**

F4 SECURITY-BASED PAYMENTS

Mirvac currently operates the following SBP schemes:
> Employee Exemption Plan (EEP);
> Long-term Incentives Plan (LTI); and
> Short-term incentive (STI) awards.

The total of all securities issued under all employee security schemes is limited to five per cent of the issued securities of the stapled group in any five year period.

EEP

The EEP provides eligible employees with up to $1,000 worth of Mirvac securities at no cost. Employees cannot sell the securities for three years or until they cease employment with the Group, in which case they keep any securities already granted. Other than the restriction on selling, holders have the same rights and benefits as other securityholders.

LTI

The LTI provides senior executives with performance rights to both reward and retain executives and strengthen the alignment between the performance of the Group and the executives. The performance rights vest based on Mirvac's TSR and ROIC performance over a three-year period.

STI

The STI is to motivate and reward employees for contributing to the delivery of annual business performance. For Executive KMP, 75 per cent of any STI award is paid as cash and 25 per cent is deferred into rights. The rights vest in two equal tranches: 50 per cent of the rights vest after one year and 50 per cent after two years.

Accounting for the SBP schemes

On 2 March 2023, the Group purchased securities on market for the EEP at a stapled security price of $2.22. These securities were recognised as an expense. At 30 June 2023, a total of 9.8m (2022: 9.3m) stapled securities have been issued to employees under the EEP.

In the prior year, EEP securities were issued by the Group and were recognised as an expense and a movement in contributed equity.

The LTI, STI and legacy EIS are accounted for as equity-settled SBP. The fair value is estimated at grant date and recognised over the vesting period as an expense and in the SBP reserve. When the SBP vest, ordinary securities are issued and recognised as a transfer from the SBP reserve to contributed equity.

Notes to the consolidated financial statements

F EQUITY *continued*

Reconciliation of rights outstanding under SBP schemes

	No. securities				
	Balance 1 July	Issued	Vested	Forfeited	Balance 30 June
LTI	10,629,320	5,883,107	(2,789,136)	(2,058,072)	11,665,219
STI	394,801	601,007	(349,583)	—	646,225
Total rights FY22	11,024,121	6,484,114	(3,138,719)	(2,058,072)	12,311,444
LTI	**11,665,219**	**9,778,919**	**(4,026,752)**	**(2,412,510)**	**15,004,876**
STI	**646,225**	**779,638**	**(345,723)**	**—**	**1,080,140**
Total rights FY23	**12,311,444**	**10,558,557**	**(4,372,475)**	**(2,412,510)**	**16,085,016**

The weighted average remaining contractual life of SBP schemes as at 30 June 2023 was 1.56 years (2022: 1.45 years). SBP expense recognised within employee benefits expenses is as follows:

	2023 $000	2022 $000
LTI	**11,693**	9,925
STI	**1,459**	3,515
Total SBP expense taken to SBP reserve	**13,152**	13,440
EEP recognised directly in contributed equity	**1,173**	1,322
Total SBP expense	**14,325**	14,762

The movements in the SBP reserve are as follows:

	2023 $000	2022 $000
Balance 1 July	**24,332**	31,362
Total SBP expense taken to SBP reserve	**13,152**	13,440
LTI vested and taken to contributed equity	**(6,171)**	(15,284)
STI vested	**(722)**	(1,037)
Transfer of unvested awards to retained earnings	**(4,122)**	(4,149)
Balance 30 June	**26,469**	24,332

Judgement in calculating fair value of SBP

To calculate the expense for equity-settled SBP, the fair value of the equity instruments at grant date has to be estimated. The fair value is determined using the Monte Carlo simulation for the relative TSR component (key judgements and assumptions include exercise price, vesting and performance criteria, security price at grant date, volatility, distribution yield and risk-free interest rate) and a binomial tree method for the ROIC component. These judgements and assumptions relating to fair value measurement may impact the SBP expense taken to profit or loss and reserves.

Assumptions used for the fair value of performance rights awarded during the current year are as follows:

Grant date	2 December 2022	Exercise price	$nil
Performance hurdles	Relative TSR and ROIC	Expected life	2.6 years
Performance period start	1 July 2022	Volatility	28.40%
Performance period end	30 June 2025	Risk-free interest rate (per annum)	3.02%
Security price at grant date	$2.24	Dividend/distribution yield (per annum)	4.55%

The valuation of rights is conducted by an independent advisor.

Notes to the consolidated financial statements

G GROUP STRUCTURE

This section explains how the Group is structured, the Deed of Cross Guarantee between Group companies and disclosures for the parent entity.

G1 GROUP STRUCTURE AND DEED OF CROSS GUARANTEE

Controlled entities

The consolidated financial statements of Mirvac incorporate the assets, liabilities and results of all controlled entities. Controlled entities are all entities over which the Group has power to direct the activities of the entity and an exposure to and ability to influence its variable returns from its involvement with the entity.

Controlled entities are fully consolidated from the date control is obtained until the date that control ceases. Intra-group transactions and balances are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of impairment of the assets transferred.

Refer to note I2 for Mirvac's controlled entities.

Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity. Mirvac considers that all funds and trusts in which it currently has an investment, or from which it currently earns income, to be structured entities. Depending on the Group's power to direct the activities of the entity and its exposure to and ability to influence its own returns, it may consolidate the entity. In other cases, it may sponsor or have some form of exposure to a structured entity but not consolidate it.

If Mirvac does not control a structured entity but has significant influence, it is treated as an associate.

Funds and trusts

Mirvac invests in a number of funds and trusts that invest in real estate as investment properties. The funds and trusts finance their operations through borrowings and through equity issues. The Group determines whether it controls or has significant influence over these funds and trusts as outlined above.

Closed Group

Mirvac Limited and certain wholly owned entities (collectively the Closed Group) are parties to a Deed of Cross Guarantee. The members of the Closed Group guarantee to pay any deficiency in the event that another member winds up.

Refer to note I2 for the members of the Closed Group.

Closed Group SoCI	2023 $m	2022 $m
Revenue	**1,218**	2,128
Other income		
Revaluation gain on investment properties	**1**	38
Share of net profit of joint ventures	**38**	23
Gain on financial instruments	**31**	60
Total revenue and other income	**1,288**	2,249
Development expenses	**741**	1,589
Cost of goods sold interest	**17**	25
Impairment of inventory and other assets	**33**	58
Selling and marketing expenses	**35**	39
Investment properties expenses and outgoings	**2**	1
Depreciation and amortisation expenses	**13**	14
Employee expenses	**113**	110
Finance costs	**250**	143
Loss on financial instruments	**30**	—
Other expenses	**100**	51
(Loss)/profit before income tax	**(46)**	219
Income tax (benefit)/expense	**(14)**	77
(Loss)/profit for the year	**(32)**	142

Notes to the consolidated financial statements

G GROUP STRUCTURE *continued*

Closed Group SoFP	2023 $m	2022 $m
Current assets		
Cash and cash equivalents	**21**	457
Receivables	**4,694**	3,781
Inventories	**1,128**	657
Derivative financial assets	**22**	66
Other assets	**19**	19
Total current assets	**5,884**	4,980
Non-current assets		
Receivables	**2,317**	1,914
Inventories	**1,243**	1,783
Investment properties	**29**	70
Investments in joint ventures	**320**	41
Derivative financial assets	**180**	176
Other financial assets	**1,336**	1,181
Property, plant and equipment	**8**	10
Right-of-use assets	**40**	45
Intangible assets	**40**	40
Deferred tax assets	**106**	—
Other assets	**6**	27
Total non-current assets	**5,625**	5,287
Total assets	**11,509**	10,267
Current liabilities		
Payables	**4,129**	3,069
Deferred revenue	**32**	51
Borrowings	**250**	281
Lease liabilities	**12**	12
Derivative financial liabilities	**9**	6
Provisions	**49**	29
Current tax liabilities	**167**	128
Total current liabilities	**4,648**	3,576
Non-current liabilities		
Payables	**341**	570
Deferred revenue	**23**	3
Borrowings	**4,261**	3,957
Derivative financial liabilities	**129**	111
Provisions	**10**	11
Lease liabilities	**36**	41
Total non-current liabilities	**4,800**	4,693
Total liabilities	**9,448**	8,269
Net assets	**2,061**	1,998
Equity		
Contributed equity	**2,429**	2,340
Reserves	**9**	8
Accumulated losses	**(377)**	(350)
Total equity	**2,061**	1,998

Notes to the consolidated financial statements

G GROUP STRUCTURE *continued*

G2 PARENT ENTITY

The financial information for the parent entity, Mirvac Limited, is prepared on the same basis as the consolidated financial statements, except as set out below:

Tax consolidation legislation

Mirvac Limited is the head entity of a tax consolidated group as discussed in note B5. As the head entity, Mirvac Limited recognises the current tax balances and the deferred tax assets for unused tax losses and credits assumed from other members as well as its own current and deferred tax amounts. Amounts receivable from or payable to the other members are recognised by Mirvac Limited as intercompany receivables or payables.

Parent entity	2023 $m	2022 $m
Current assets	**6,810**	5,852
Total assets	**7,682**	6,319
Current liabilities	**5,420**	4,031
Total liabilities	**5,420**	4,031
Equity		
Contributed equity	**2,166**	2,164
SBP reserve	**26**	24
Retained earnings	**70**	100
Total equity	**2,262**	2,288
Loss for the year	**(33)**	(1)
Total comprehensive loss for the year	**(33)**	(1)

The parent entity is party to the Deed of Cross Guarantee outlined in note G1 and therefore guarantees the debts of the other Closed Group members.

At 30 June 2023, the parent entity did not provide any other guarantees in relation to the debts of its subsidiaries (2022: $nil), have any contingent liabilities (2022: $nil), or any capital commitments for the acquisition of property, plant or equiment (2022: $nil).

G3 BUSINESS COMBINATIONS

Refer to the 30 June 2022 Annual Report for details of business combinations made in the prior period.

MIV Switchyards Trust

On 1 July 2022, the Group entered an agreement culminating in the Group gaining control of MIV Switchyards Trust (formerly named Duck River Auburn Trust), which was previously accounted for as an investment in joint venture. The Group consolidated the assets and liabilities held by MIV Switchyards Trust, which included investment property at 300 Manchester Road, Auburn NSW. The carrying amount of the Group's previously held interest in this entity approximated its fair value. Accordingly, no gain or loss as a result of the remeasurement of the equity interest in these entities to fair value was recognised in the consolidated SoCI. On consolidation, the Group reclassified 51 per cent of the investment property to inventory on a fair value basis of $69m.

On 8 September 2022, the Group acquired the remaining 49 per cent of the units in MIV Switchyards Trust for consideration of $138m resulting in the Group recognising additional investment property of $59m.

On 2 June 2023, the Group disposed of 49 per cent of the units in MIV Switchyards Trust. Following the sale, the Group lost control of MIV Switchyards Trust and reclassified it's remaining 51 per cent interest to investment in joint venture.

The consideration received from the sale of the 49 per cent interest in MIV Switchyards Trust was $155m. As the cash disposed of following deconsolidation was nil, the net cash outflow, being the total proceeds less cash disposed, was also $155m. The carrying value of the Group's interest in the net assets disposed was $108m at the time of the sale. This resulted in a gain of $47m of which $40m was recognised in the consolidated SoCI and $7m was recognised as deferred revenue on the SoFP.

LIV Mirvac Property Trust

LIV Mirvac Property Trust holds a 100 per cent interest in the Group's Build to Rent property portfolio. This entity was formerly a wholly owned subsidiary of the Group. On 29 June 2023, LIV Mirvac Property Trust issued units to entities outside of the Group, reducing the Group's ownership to 44 per cent. Following this transaction, the Group lost control of LIV Mirvac Property Trust and reclassified its remaining 44 per cent interest to investment in joint venture. Cash disposed of at the time of the transaction was $3m.

Notes to the consolidated financial statements

H OTHER DISCLOSURES

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

H1 CONTINGENT LIABILITIES

A contingent liability is a possible obligation that may become payable depending on a future event or a present obligation that is not probable to require payment/cannot be reliably measured. A provision is not recognised for contingent liabilities.

	2023 $m	2022 $m
Bank guarantees and insurance bonds granted in the normal course of business	**280**	226
Health and safety claims	**2**	4
Payments for investment properties, inventory and other assets contingent on approvals	**4**	29
Total contingent liabilities	**286**	259

As at 30 June 2023, the Group had no contingent liabilities relating to joint ventures and associates (2022: $nil).

H2 EARNINGS PER STAPLED SECURITY

Basic earnings per stapled security (EPS) is calculated by dividing:

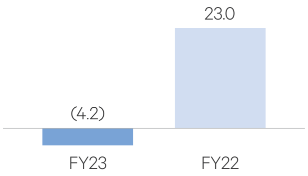
> the profit attributable to stapled securityholders; by

> the weighted average number of ordinary securities (WANOS) outstanding during the year.

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

	2023	2022
(Loss)/profit attributable to stapled securityholders used to calculate basic and diluted EPS ($m)	**(165)**	906
WANOS used in calculating basic EPS (m)	**3,944**	3,941
WANOS used in calculating diluted EPS (m)	**3,946**	3,942

Basic and diluted EPS
(cents)



H3 RELATED PARTIES

A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.

Key management personnel compensation

The Remuneration report on pages 49 to 69 provides detailed disclosures of key management personnel compensation.

The total expense is summarised below:

	2023 $000	2022 $000
Short-term employment benefits	**11,474**	10,313
Security-based payments	**5,354**	4,372
Post-employment benefits	**298**	239
Other long-term benefits	**99**	81
Termination benefits	**1,100**	—
Total key management personnel compensation	**18,325**	15,005

There are no outstanding loans to directors or employees (2022: nil).

Notes to the consolidated financial statements

H OTHER DISCLOSURES *continued*

Transactions with key management personnel

From time to time key management personnel participate in arrangements available to directly purchase Mirvac developed residential property. These transactions are made on terms equivalent to those that prevail in arm's length transactions and are at market rates. The deposits received and the amounts committed by key management personnel for Mirvac developed residential property exchanged are summarised below:

Mirvac developed property purchased by key management personnel	2023 $000	2022 $000
Exchanges	**1,440**	5,027
Deposits received	**72**	251
Outstanding commitments	**7,477**	6,108

Transactions with JVAs	2023 $000	2022 $000
Interest income	**—**	175
Project development fees	**35,605**	88,976
Development rental guarantees	**7,479**	—
Management and service fees	**11,403**	7,943
Trustee fees	**24,059**	10,398
Property rental revenue	**9,805**	—
Total transactions with JVAs	**88,351**	107,492

Loans due from JVAs and other related parties	2023 $000	2022 $000
Balance 1 July	**—**	5,104
Interest capitalised	**—**	175
Loans advanced	**8,850**	—
Loan payments received	**(4,425)**	(5,279)
Balance 30 June	**4,425**	—

Transactions between Mirvac and its related parties were made on commercial terms and conditions. Distributions received from JVAs were on the same terms and conditions that applied to other securityholders. Equity interests in JVAs are set out in note I3.

H4 AUDITOR'S REMUNERATION

During the year, the following fees were paid or payable for services provided by PricewaterhouseCoopers Australia (PwC) as the auditor of the Group, and by PwC's related network firms.

	2023 $000	2022 $000
Audit services		
Audit and review of financial reports	**2,680**	2,444
Other assurance services	**891**	761
Total audit services	**3,571**	3,205
Other services		
Advisory services	**362**	262
Total other services	**362**	262
Total auditor's remuneration	**3,933**	3,467

Notes to the consolidated financial statements

I APPENDICES

This section provides detailed listings of Mirvac's properties and controlled entities.

I1 PROPERTY PORTFOLIO LISTING

This table shows details of Mirvac's properties portfolio. Refer to notes C1 to C3 for further details.

	Fair value	Lease liability gross up	Book value		Capitalisation rate		Discount rate	
Office	2023 $m	2023 $m	2023 $m	2022 $m	2023 %	2022 %	2023 %	2022 %
1 Darling Island, Pyrmont NSW	**317**	—	**317**	319	**5.63**	5.38	**6.38**	6.13
101-103 Miller Street, North Sydney NSW (50% interest)	**301**	—	**301**	326	**5.38**	5.00	**6.25**	6.00
10-20 Bond Street, Sydney NSW (50% interest)	**325**	—	**325**	349	**5.50**	5.00	**6.25**	6.13
189 Grey Street, Southbank QLD[1]	**—**	—	**—**	93	**—**	6.63	**—**	7.00
2 Riverside Quay, Southbank VIC (50% interest)	**151**	—	**151**	155	**5.38**	5.00	**6.25**	6.25
23 Furzer Street, Phillip ACT	**375**	—	**375**	380	**5.63**	5.25	**6.25**	6.00
275 Kent Street, Sydney NSW (50% interest)	**865**	—	**865**	922	**4.88**	4.50	**6.13**	6.00
367 Collins Street, Melbourne VIC[2]	**—**	—	**—**	427	**—**	5.25	**—**	6.25
380 St Kilda Road, Melbourne VIC	**218**	—	**218**	196	**5.88**	5.75	**6.50**	6.25
383 La Trobe Street, Melbourne VIC	**100**	—	**100**	121	**6.50**	5.13	**6.50**	6.25
40 Miller Street, North Sydney NSW	**191**	—	**191**	180	**5.63**	5.38	**6.38**	6.13
477 Collins Street, Melbourne VIC (50% interest)	**450**	—	**450**	462	**4.88**	4.75	**6.13**	6.00
60 Margaret Street, Sydney NSW (50% interest)[2]	**—**	—	**—**	377	**—**	5.13	**—**	6.13
65 Pirrama Road, Pyrmont NSW	**206**	—	**206**	220	**5.75**	5.50	**6.25**	6.13
664 Collins Street. Melbourne VIC (50% interest)	**158**	—	**158**	166	**5.13**	4.88	**6.25**	6.00
699 Bourke Street, Melbourne, VIC (50% interest)	**79**	—	**79**	106	**5.50**	5.00	**6.50**	6.00
75 George St, Paramatta NSW	**73**	—	**73**	87	**6.00**	5.38	**6.63**	6.25
80 Ann Street, Brisbane QLD (50% interest)	**409**	—	**409**	400	**5.00**	4.88	**6.13**	6.00
90 Collins Street, Melbourne VIC	**248**	—	**248**	263	**5.50**	5.25	**6.25**	6.25
Allendale Square, 77 St Georges Terrace, Perth WA[1]	**—**	—	**—**	207	**—**	6.75	**—**	7.25
Locomotive Carpark, South Eveleigh NSW	**21**	—	**21**	21	**7.50**	6.00	**8.25**	7.75
Riverside Quay, Southbank VIC	**347**	—	**347**	380	**5.63**	5.25	**6.25**	6.25
South Eveleigh Precinct, Eveleigh NSW (33.3% interest)	**462**	—	**462**	465	**5.00**	4.88	**6.13**	6.00
Various lots, 53 Walker Street & 97 Pacific Highway, North Sydney NSW	**29**	—	**29**	31	**5.25**	—	**7.00**	—
Total investment properties	**5,325**	—	**5,325**	6,653				
Investment properties under construction								
55 Pitt Street, Sydney NSW	**108**	—	**108**	252	**—**	—	—	—
7-23 Spencer Street, Melbourne VIC	**80**	—	**80**	128	**—**	—	—	—
377 Botany Road, Zetland NSW	**25**	—	**25**	21	**—**	—	—	—
Harbourside, Sydney NSW	**41**	—	**41**	—	**—**	—	—	—
Total investment properties under construction	**254**	—	**254**	401				
Total investment properties and investment properties under construction	**5,579**	—	**5,579**	7,054				
Investment properties held in joint ventures and associates								
200 George Street, Sydney NSW (50.1% interest)	**545**	—	**545**	581	**4.75**	4.38	**6.13**	5.88
Locomotive Workshop, South Eveleigh NSW (51% Interest)	**222**	—	**222**	223	**5.00**	4.88	**6.25**	6.13
8 Chifley Square, Sydney NSW (50% interest)	**220**	—	**220**	231	**5.13**	4.88	**6.25**	6.00
David Malcolm Justice Centre, 28 Barrack Street, Perth WA (50% interest)	**255**	—	**255**	248	**5.38**	5.25	**6.63**	6.50
Mirvac Wholesale Office Fund property portfolio[3]	**577**	—	**577**	—	**—**	—	**—**	—
Total investment properties held in joint ventures and associates	**1,819**	—	**1,819**	1,283				

1. Investment property was disposed of during the year.
2. Transferred from investment property to assets classified as held for sale during the year.
3. This entity was acquired during the year.

Notes to the consolidated financial statements

I APPENDICES *continued*

Office *continued*	Fair value 2023 $m	Lease liability gross up 2023 $m	Book value 2023 $m	Book value 2022 $m	Capitalisation rate 2023 %	Capitalisation rate 2022 %	Discount rate 2023 %	Discount rate 2022 %
Assets classified as held for sale								
367 Collins Street, Melbourne VIC[1]	**371**	—	**371**	—				
60 Margaret Street, Sydney NSW (50% interest)[1]	**347**	—	**347**	—				
Total assets classified as held for sale	**718**	—	**718**	—				
Total office property portfolio	**8,116**	—	**8,116**	8,337				

1. Transferred from investment property to assets classified as held for sale during the year.

Industrial	Fair value 2023 $m	Lease liability gross up 2023 $m	Book value 2023 $m	Book value 2022 $m	Capitalisation rate 2023 %	Capitalisation rate 2022 %	Discount rate 2023 %	Discount rate 2022 %
1-47 Percival Road, Smithfield NSW	**73**	—	**73**	70	**5.00**	4.25	**6.50**	5.50
274 Victoria Rd, Rydalmere NSW	**73**	—	**73**	77	**4.25**	4.00	**5.88**	5.38
34-38 Anzac Avenue, Smeaton Grange NSW	**61**	—	**61**	57	**4.75**	4.00	**6.25**	5.38
36 Gow Street, Padstow NSW	**59**	—	**59**	54	**5.00**	4.50	**6.38**	5.75
39 Britton Street, Smithfield NSW	**42**	—	**42**	40	**4.50**	4.00	**6.00**	5.50
39 Herbert Street, St Leonards NSW	**277**	—	**277**	254	**4.75-5.25**	4.75-5.00	**6.00-6.63**	6.00-6.25
8 Brabham Drive, Huntingwood NSW	**37**	—	**37**	35	**4.50**	4.25	**6.00**	5.50
Calibre, 60 Wallgrove Road, Eastern Creek NSW (50% interest)	**202**	—	**202**	184	**4.38-4.50**	3.50-4.13	**5.75-6.00**	5.25-5.38
Hoxton Distribution Park, Hoxton Park NSW (50% interest)	**241**	—	**241**	246	**4.38-4.50**	3.63-3.88	**6.50**	5.00-5.25
Nexus Industry Park, Lyn Parade, Prestons NSW	**259**	—	**259**	225	**4.50**	3.88-4.50	**5.88-6.00**	4.88-5.50
Total investment properties	**1,324**	—	**1,324**	1,242				
Investment properties under construction								
1669A Elizabeth Drive, Badgery Creek NSW	**135**	—	**135**	221	**—**	—	**—**	—
788-882 Mamre Road, Kemps Creek NSW	**109**	—	**109**	120	**—**	—	**—**	—
Total investment properties under construction	**244**	—	**244**	341				
Total investment properties and investment properties under construction	**1,568**	—	**1,568**	1,583				
Investment properties held in joint ventures								
Switchyard, 300 Manchester Road, Auburn (51% Interest)	**185**	—	**185**	67	**—**	—	**—**	—
Total investment properties held in joint ventures	**185**	**—**	**185**	67				
Total industrial property portfolio	**1,753**	**—**	**1,753**	1,650				

Retail	Fair value 2023 $m	Lease liability gross up 2023 $m	Book value 2023 $m	Book value 2022 $m	Capitalisation rate 2023 %	Capitalisation rate 2022 %	Discount rate 2023 %	Discount rate 2022 %
1-3 Smail Street, Ultimo NSW (50% interest)	**35**	—	**35**	40	**5.25**	5.00	**6.25**	6.00
80 Bay St, Glebe, Sydney NSW (50% interest)	**15**	—	**15**	16	**5.50**	5.25	**6.25**	6.00
Birkenhead Point Brand Outlet, Drummoyne NSW	**394**	6	**400**	408	**5.75-8.75**	5.50-8.75	**6.75-10.00**	6.50-9.50
Broadway Sydney, Broadway NSW (50% interest)	**354**	1	**355**	369	**5.00**	4.75	**6.25**	6.00
Cooleman Court, Weston ACT	**70**	—	**70**	76	**5.75**	5.50	**6.25**	6.00
East Village, Zetland NSW	**312**	—	**312**	327	**5.25**	5.00	**6.50**	6.25
Greenwood Plaza, North Sydney NSW (50% interest)	**68**	—	**68**	89	**6.00**	5.75	**6.75**	6.50
Kawana Shoppingworld, Buddina QLD (50% interest)	**180**	—	**180**	186	**6.00**	5.75	**7.00**	6.75
Metcentre, Sydney NSW (50% interest)[1]	**—**	—	**—**	57	**—**	5.75	**—**	6.50
Moonee Ponds Central, Moonee Ponds VIC	**99**	—	**99**	105	**6.00**	5.75	**6.75**	6.50
Orion Springfield Central, Springfield QLD	**473**	—	**473**	467	**5.50**	5.25	**7.00**	6.50
Rhodes Waterside, Rhodes NSW (50% interest)	**171**	—	**171**	179	**5.75**	5.50	**6.50**	6.25

1. Transferred from investment property to assets classified as held for sale during the year.

Notes to the consolidated financial statements

I APPENDICES *continued*

Retail *continued*	Fair value 2023 $m	Lease liability gross up 2023 $m	Book value 2023 $m	Book value 2022 $m	Capitalisation rate 2023 %	Capitalisation rate 2022 %	Discount rate 2023 %	Discount rate 2022 %
South Village, Kirrawee NSW	**93**	—	**93**	103	**5.75**	5.50	**6.75**	6.25
Stanhope Village, Stanhope Gardens NSW[1]	**—**	—	**—**	154	**—**	5.50	**—**	6.75
Toombul, Nundah QLD	**95**	—	**95**	90	**—**	—	**—**	—
Total investment properties	**2,359**	7	**2,366**	2,666				
Investment properties under construction								
Harbourside, Sydney NSW	**210**	30	**240**	252	**—**	—	**—**	—
Total investment properties under construction	**210**	30	**240**	252				
Total investment properties and investment properties under construction	**2,569**	37	**2,606**	2,918				
Assets classified as held for sale								
Metcentre, Sydney NSW (50% interest)[2]	**41**	—	**41**	—				
Total assets classified as held for sale	**41**	—	**41**	—				
Total retail property portfolio	**2,610**	37	**2,647**	2,918				

1. Investment property was disposed of during the year.
2. Transferred from investment property to assets classified as held for sale during the year.

Build to Rent	Fair value 2023 $m	Lease liability gross up 2023 $m	Book value 2023 $m	Book value 2022 $m	Capitalisation rate 2023 %	Capitalisation rate 2022 %	Discount rate 2023 %	Discount rate 2022 %
LIV Indigo, 2 Figtree Drive, Sydney Olympic Park NSW[1]	**—**	**—**	**—**	221	**—**	4.00	**—**	6.25
Total investment properties	**—**	**—**	**—**	221				
Investment properties under construction								
LIV Albert Fields, Brunswick VIC[2]	**—**	**—**	**—**	70	**—**	—	**—**	—
LIV Anura, Newstead QLD[2]	**—**	**—**	**—**	44	**—**	—	**—**	—
LIV Aston, Melbourne VIC[2]	**—**	**—**	**—**	86	**—**	—	**—**	—
LIV Munro, Melbourne VIC[3]	**—**	**—**	**—**	213	**—**	—	**—**	—
Total investment properties under construction	**—**	**—**	**—**	413				
Total investment properties and investment properties under construction	**—**	**—**	**—**	634				
Investment properties held in joint ventures								
LIV Mirvac Property Trust property portfolio[4]	**396**	**—**	**396**	—	**—**	—	**—**	—
Total investment properties held in joint ventures	**396**	**—**	**396**	—				
Total build to rent property portfolio	**396**	**—**	**396**	634				

Property portfolio	Fair value 2023 $m	Lease liability gross up 2023 $m	Book value 2023 $m	Book value 2022 $m
Total investment properties and investment properties under construction	**9,716**	**37**	**9,753**	12,189
Total investment properties held in joint ventures and associates	**2,400**	**—**	**2,400**	1,350
Total assets classified as held for sale	**759**	**—**	**759**	—
Total property portfolio	**12,875**	**37**	**12,912**	13,539

1. Investment property was transferred to JVA during the year.
2. IPUC was transferred to JVA during the year.
3. IPUC was transferred to investment property and then transferred to JVA during the year.
4. This entity was established during the year and acquired the LIV BTR property portfolio.

Notes to the consolidated financial statements

I APPENDICES *continued*

I2 CONTROLLED ENTITIES

All entities controlled by the Group are shown below. Unless otherwise noted, they are wholly owned and were incorporated or established in Australia during the current year and prior years.

Members of the Closed Group

CN Collins Pty Ltd
Hoxton Park Airport Pty Ltd
Mirvac (Docklands) Pty Limited
Mirvac (WA) Pty Limited
Mirvac Capital Investments Pty Limited
Mirvac Constructions (QLD) Pty Limited
Mirvac Constructions (VIC) Pty Limited
Mirvac Constructions (WA) Pty Limited
Mirvac Constructions Pty Ltd
Mirvac Design Pty Limited
Mirvac Doncaster Pty Ltd
Mirvac Finance Pty Ltd
Mirvac Group Finance Limited
Mirvac Group Funding Pty Ltd
Mirvac Holdings Limited
Mirvac Home Builders (VIC) Pty Limited
Mirvac Homes (NSW) Pty Limited
Mirvac Industrial Developments Pty Limited
Mirvac International Investments Pty Ltd
Mirvac Limited
Mirvac National Developments Pty Limited
Mirvac Office Developments Pty Ltd
Mirvac Pacific Pty Ltd
Mirvac Projects Pty Ltd
Mirvac Queensland Pty Limited
Mirvac Real Estate Pty Ltd
Mirvac Residential (NSW) Developments Pty Ltd
Mirvac Retail Developments Pty Ltd
Mirvac Rockbank Pty Ltd
Mirvac Spring Farm Pty Ltd
Mirvac Treasury Ltd
Mirvac Treasury No. 3 Limited
Mirvac Victoria Pty Limited
Mirvac Wholesale Funds Management Pty Ltd
Mirvac Wholesale Industrial Developments Pty Ltd
Mirvac Woolloomooloo Pty Limited

Interests in controlled entities of Mirvac not included in the Closed Group

197 Salmon Street Pty Limited
477 Collins Street No. 2 Trust
699 Bourke Street Services Pty Limited
A.C.N. 087 773 859 Pty Limited
A.C.N. 110 698 603 Pty Ltd
A.C.N. 150 521 583 Pty Ltd
A.C.N. 165 515 515 Pty Ltd
ABTRC Head Trust A
ABTRC Head Trust B
Ascot Chase Nominee Stages 3-5 Pty Ltd
Banksia Unit Trust
BL Developments Pty Ltd
Bligh Street Office Trust
BTR Head Company Pty Limited
BTR QLD Pty Limited
BTR Vic Head Trust A
BTR Vic Head Trust B
Eveleigh Commercial Holdings Pty Limited
Eveleigh Commercial Pty Limited
Eveleigh Precinct Pty Limited
EZ Power Pty Ltd
Fast Track Bromelton Pty Limited
Gainsborough Greens Pty Ltd
HIR Boardwalk Tavern Pty Limited
HIR Golf Club Pty Limited
HIR Golf Course Pty Limited
HIR Property Management Holdings Pty Limited
HIR Tavern Freehold Pty Limited
Home Loans by Mirvac Pty Ltd
HPAL Holdings Pty Limited
Industrial Commercial Property Solutions (Constructions) Pty Limited
Industrial Commercial Property Solutions (Finance) Pty Limited
Industrial Commercial Property Solutions (Holdings) Pty Limited
Industrial Commercial Property Solutions (Queensland) Pty Limited
Industrial Commercial Property Solutions Pty Limited
JF ASIF Pty Limited
JFM Hotel Trust
Joynton North Pty Ltd
Kirrawee South Centre Pty Ltd
Kirrawee South Centre Trust
La Trobe Office Trust
LIV Opco Pty Ltd[1]
Magenta Shores Finance Pty Ltd
Magenta Shores Unit Trust
Magenta Unit Trust
Marrickville Projects Pty Limited
MGR Insurance International Pte. Ltd.[2]
Mirvac (Beacon Cove) Pty Limited
Mirvac (Old Treasury Development Manager) Pty Limited
Mirvac (Old Treasury Hotel) Pty Limited
Mirvac (Retail and Commercial) Holdings Pty Limited
Mirvac (Walsh Bay) Pty Limited
Mirvac 275 Kent Street Services Pty Ltd
Mirvac 699 Bourke Street Trust
Mirvac 90CS No.2 Trust
Mirvac Advisory Pty Limited
Mirvac Aero Company Pty Ltd
Mirvac Altona North Pty Ltd
Mirvac AOP SPV Pty Limited
Mirvac Auburn Industrial Trust
Mirvac Badgerys Creek Industrial Trust
Mirvac Birkenhead Point Marina Pty Limited
Mirvac Blue Trust
Mirvac Bourke Street No. 3 Sub-Trust
Mirvac BST Pty Limited
Mirvac BTR Developments Pty Ltd
Mirvac BTR Head Company A Pty Ltd
Mirvac BTR Head Company B Pty Ltd
Mirvac BTR Head SPV Pty Ltd
Mirvac BTR Sub Company A Pty Ltd
Mirvac BTR Sub Company B Pty Ltd
Mirvac BTR Sub SPV Pty Ltd
Mirvac BTR Trust
Mirvac Capital Assurance Pty Ltd
Mirvac Capital Partners Pty Ltd
Mirvac Capital Pty Limited
Mirvac Chifley Holdings Pty Limited
Mirvac Commercial Finance Pty Limited
Mirvac Commercial Sub SPV Pty Limited
Mirvac Constructions (Homes) Pty. Limited
Mirvac Constructions (SA) Pty Limited
Mirvac Developments Pty Limited
Mirvac Duck River Pty Ltd
Mirvac Elizabeth Trust
Mirvac Energy Pty Limited
Mirvac ESAT Pty Limited
Mirvac Funds Limited
Mirvac Funds Management Australia Limited
Mirvac Funds Management Limited
Mirvac George Street Holdings Pty Limited
Mirvac George Street Pty Limited
Mirvac Green Square Pty Limited
Mirvac Green Trust
Mirvac GS Commercial Trust[1]
Mirvac Harbourside Sub-Trust
Mirvac Harbourtown Pty Limited
Mirvac Harold Park Pty Limited
Mirvac Harold Park Trust
Mirvac Hatch Pty Ltd
Mirvac Hoist Pty Ltd
Mirvac Holdings (WA) Pty Limited
Mirvac Homes (QLD) Pty Limited
Mirvac Homes (SA) Pty Limited
Mirvac Homes (VIC) Pty Limited
Mirvac Homes (WA) Pty Limited
Mirvac Hotel Services Pty Limited
Mirvac ID (Bromelton) Pty Limited
Mirvac ID (Bromelton) Sponsor Pty Limited
Mirvac Industrial No. 2 Sub-Trust
Mirvac Industrial Sub SPV Pty Limited
Mirvac International (Middle East) No. 2 Pty Limited
Mirvac Investment Manager Pty Ltd
Mirvac JV's Pty Limited
Mirvac Kemps Creek Trust
Mirvac Kensington Pty Ltd

1. This entity was established during the year.
2. This entity is registered in Singapore.

Notes to the consolidated financial statements

I APPENDICES *continued*

Interests in controlled entities of Mirvac not included in the Closed Group *continued*

Mirvac Kent Street Holdings Pty Limited
Mirvac King Street Pty Ltd
Mirvac Leader Pty Limited
Mirvac Living Investment Company Pty Ltd
Mirvac Living Investment Manager Pty. Ltd.
Mirvac Living Real Estate Services Pty. Ltd.
Mirvac Lucas Real Estate Unit Trust
Mirvac Maker Space Pty Limited
Mirvac Mandurah Pty Limited
Mirvac McCormacks Road Pty Limited
Mirvac Newcastle Pty Limited
Mirvac NIC Trust
Mirvac Nike Holding Pty Limited
Mirvac North Sydney Office Holdings Pty Limited
Mirvac North Sydney Office Holdings Trust
Mirvac Old Treasury Holdings Pty Limited
Mirvac Parking Pty. Limited
Mirvac Parramatta Sub-Trust No. 2
Mirvac Pennant Hills Residential Trust
Mirvac Ping An Residential Developments Pty Limited
Mirvac Ping An Waterloo Development Trust
Mirvac Pitt Street Trust No. 2
Mirvac Precinct 2 Pty Limited
Mirvac Precinct Trust
Mirvac Procurement Pty Ltd
Mirvac Project Trust
Mirvac Projects (Retail and Commercial) Pty Ltd
Mirvac Projects Dalley Street Pty Limited
Mirvac Projects Dalley Street Trust
Mirvac Projects George Street Pty Limited
Mirvac Projects George Street Trust
Mirvac Projects No. 2 Pty. Limited
Mirvac Projects Norwest No. 2 Trust
Mirvac Projects Norwest Trust
Mirvac Properties Pty Ltd
Mirvac Property Advisory Services Pty. Limited
Mirvac Property Services Pty Limited
Mirvac Property Trust
Mirvac Real Estate Debt Funds Pty Limited
Mirvac REIT Management Pty Ltd
Mirvac Retail Head SPV Pty Limited
Mirvac Retail Sub SPV Pty Limited
Mirvac SDA Pty Limited [1]
Mirvac SDA Trust [2]
Mirvac Services Pty Limited
Mirvac Showground Pty Ltd
Mirvac Showground Trust
Mirvac SLS Development Pty Limited
Mirvac SLS Development Trust
Mirvac South Australia Pty Limited
Mirvac Spare Pty Limited
Mirvac SPV 1 Pty Limited
Mirvac St Leonards Pty Limited
Mirvac St Leonards Trust
Mirvac T6 Pty Ltd
Mirvac T6 Trust
Mirvac Trademarks Pty Limited
Mirvac TS Pty Limited
Mirvac Ventures Pty Limited
Mirvac Wholesale Office Investments Pty Limited
Mirvac Wholesale Sub Pty Limited
MirvacX Retail Solutions Pty Limited
MIV Aspect North Trust [2]
MIV Aspect South Trust [2]
MIV Elizabeth Enterprise 1 Trust [2]
MIV Elizabeth Enterprise 2 Trust [2]
MLJV Pty Ltd
MRV Hillsdale Pty Limited
MWID (Brendale) Pty Limited
MWID (Brendale) Unit Trust
MWID (Mackay) Pty Limited
Newington Homes Pty Limited
Oakstand No.15 Hercules Street Pty Ltd
Picket & Co Development Pty Limited
Picket & Co NSW Head Trust
Picket & Co Operations Pty Limited
Picket & Co Property Pty Limited
Picket & Co Pty Ltd
Pigface Unit Trust
Planned Retirement Living Pty Ltd
Rovno Pty. Limited
Spring Farm Finance Pty Limited
Springfield Development Company Pty Limited
SPV Magenta Pty Limited
Suntrack Holdings Pty Limited
Suntrack Property Trust
Treasury Square Trust
TS Triangle Pty Limited
TS Triangle Trust
Tucker Box Management Pty Limited
Walker Investment Services II Pty Ltd [3]
WMQ Commercial Trust [4]

1. Previously registered as Mirvac Spare No.2 Pty Limited.
2. This entity was established during the year.
3. This entity was acquired during the year.
4. This entity was established during the year and 25% is held by a third-party.

Interests in controlled entities of MPT

10-20 Bond Street Trust
367 Collins Street No. 2 Trust
367 Collins Street Trust
380 St Kilda Road Trust
477 Collins Street No. 1 Trust
Australian Office Partnership Trust
Eveleigh Trust
James Fielding Trust
Joynton North Property Trust
Joynton Properties Trust
Meridian Investment Trust No. 1
Meridian Investment Trust No. 2
Meridian Investment Trust No. 3
Meridian Investment Trust No. 4
Meridian Investment Trust No. 5
Meridian Investment Trust No. 6
Mirvac 90 Collins Street Trust
Mirvac Allendale Square Trust
Mirvac Ann Street Trust
Mirvac Bay St Trust
Mirvac Bourke Street No. 1 Sub-Trust
Mirvac Broadway Sub-Trust
Mirvac BTR Head Trust
Mirvac BTR Sub-Trust 1
Mirvac Capital Partners 1 Trust
Mirvac Collins Street No. 1 Sub-Trust
Mirvac Commercial No. 3 Sub-Trust
Mirvac Commercial Trust
Mirvac Group Funding No.2 Pty Limited
Mirvac Group Funding No.3 Pty Limited
Mirvac Hoxton Park Trust
Mirvac Industrial No. 1 Sub-Trust
Mirvac Kensington Trust
Mirvac Kirrawee Trust No. 1
Mirvac Kirrawee Trust No. 2
Mirvac La Trobe Office Trust
Mirvac Living Trust
Mirvac Padstow Trust No. 1
Mirvac Parramatta Sub-Trust No. 1
Mirvac Pitt Street Trust
Mirvac Property Trust No. 3
Mirvac Property Trust No. 4
Mirvac Property Trust No. 5
Mirvac Property Trust No. 6
Mirvac Property Trust No. 7
Mirvac Real Estate Investment Trust
Mirvac Retail Head Trust
Mirvac Retail Sub-Trust No. 1
Mirvac Retail Sub-Trust No. 2
Mirvac Retail Sub-Trust No. 3
Mirvac Retail Sub Trust No. 4
Mirvac Rhodes Sub-Trust
Mirvac Rydalmere Trust No. 1
Mirvac Rydalmere Trust No. 2
Mirvac Smail St Trust
Mirvac Spencer Trust [1]
Mirvac Toombul Trust No. 1
Mirvac Toombul Trust No. 2
Old Treasury Holding Trust
Springfield Regional Shopping Centre Trust
Walker Sub-Trust [2]

1. This entity was established during the year.
2. This entity was acquired during the year.

Notes to the consolidated financial statements

I3 JOINT VENTURE AND ASSOCIATE ENTITIES

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

	Ownership %	
	2023	2022
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**	—
LIV Mirvac Services Trust	**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 [1]	**8**	—
MIV Switchyards Trust [2,3]	**51**	51
MVIC Finance 2 Pty Ltd	**50**	50
The George Street Trust	**50**	50
TM Management Services Pty Ltd [4]	**—**	50
Tucker Box Hotel Group	**50**	50
Walsh Bay Finance Pty Ltd [4]	**—**	50
Walsh Bay Properties Pty Ltd [5]	**—**	50
Walsh Bay SPV Pty Ltd [4]	**—**	50
WL Developer Pty Ltd	**50**	50
WL Developer Trust	**50**	50

1. This entity became a JVA on 20 March 2023.
2. This entity was previously registered as Duck River Auburn Trust.
3. This entity was accounted for as a JVA up to 30 June 2022. Control was gained on 1 July 2022 at which point the entity was consolidated into the Group. Control was then lost on 2 June 2023 and the entity is now accounted for as a JVA. Refer note G3.
4. This entity was deregistered on 27 January 2023.
5. This entity was deregistered on 24 March 2023.

Directors' declaration

In the Directors' opinion:

a) the financial statements and the notes set out on pages 71 to 120 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 30 June 2023 and of its performance for the financial year ended on that date;

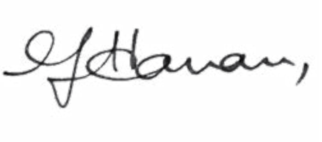
b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended Closed Group identified in note I2 will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the Deed of Cross Guarantee described in note G1.

The basis of preparation note confirms that the financial statements also comply with IFRS as issued by the IASB.

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

16 August 2023

Independent auditor's report

to the members of Mirvac Limited

Independent auditor's report

To the stapled securityholders of Mirvac Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Mirvac Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and

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

What we have audited

The Group's financial report comprises:

- the consolidated statement of financial position as at 30 June 2023
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the Directors' declaration.

Basis for opinion

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

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

Independence

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

PricewaterhouseCoopers, ABN 52 780 433 757
One International Towers Sydney, Watermans Quay, Barangaroo, GPO BOX 2650, SYDNEY NSW 2001
T: +61 2 8266 0000, F: +61 2 8266 9999

Level 11, 1PSQ, 169 Macquarie Street, Parramatta NSW 2150, PO Box 1155 Parramatta NSW 2124
T: +61 2 9659 2476, F: +61 2 8266 9999

Independent auditor's report

Our audit approach

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

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

Materiality	Audit scope	Key audit matters
For the purpose of our audit we used overall Group materiality of \$29.93 million, which represents approximately 5% of the Funds from Operations of the Group. We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole. We chose Funds from Operations of the Group because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.	Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events. The Group operates across Sydney, Melbourne, Brisbane, Canberra and Perth and has three key business units: Investment, Funds and Development. The accounting processes are structured around a Group finance function at its head office in Sydney.	Amongst other relevant topics, we communicated the following key audit matters to the Audit, Risk and Compliance Committee: • Carrying value of inventories • Fair value of investment properties • Recognition of developments and construction management services revenue These are further described in the *Key audit matters* section of our report.

Independent auditor's report

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
Carrying value of inventories *(Refer to note C4) $3,239m* Inventories are recognised at the lower of cost and net realisable value for each development project. The Group's estimate of net realisable value includes assumptions about future market and economic conditions which are inherently subject to the risk of change. This was a key audit matter given: • The relative size of the inventories balance in the Consolidated Statement of Financial Position; and • The significant judgement and uncertainty involved in estimating net realisable value.	We evaluated the design of the Group's relevant controls over the carrying value of inventories and assessed whether a sample of these controls operated effectively throughout the year including: • The Group's approval process for capitalising costs relating to new development projects; and • The Group's process for review of key assumptions used in the estimation of net realisable value across the development project portfolio. We performed a risk assessment over the Group's development project portfolio to determine those projects at greater risk of being carried at an amount in excess of their recoverable amount. Our risk assessment was informed by our understanding of the significant assumptions relevant to the net realisable value of each project, consideration of the results of the Group's process for estimation of net realisable value, the stage of development progress of each project, our observations made through site visits during the year and our understanding of relevant project status. For those projects which were assessed as being at greater risk, we performed procedures to assess the appropriateness of key assumptions used in the Group's estimate of net realisable value. In our audit procedures we: • Obtained the project feasibility model that the Group uses to assess net realisable value and held discussions with management to develop an understanding of the basis for assumptions used in the model.

Independent auditor's report

- Assessed the appropriateness of key assumptions by:
  - Comparing estimated sales prices to supporting market data.
  - Considering the basis for other key assumptions including whether costs to complete are consistent with the expected project completion programmes, the planned sales incentives and any allocation of costs across stages on multistage projects.
- Assessed whether the carrying value was the lower of cost and net realisable value.

We also assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting Standards.

Key audit matter	*How our audit addressed the key audit matter*
Fair value of investment properties *(Refer to note C2) $9,753m* Investment properties are recognised at fair value. The Group's estimate of fair value of investment properties includes assumptions about unobservable inputs including future market and economic conditions which are inherently subject to the risk of change. At each reporting period, the Directors determine the fair value of the Group's investment property portfolio having regard to the Group's valuation policy which requires all properties to be externally valued by valuation experts at least once every two years. In the period between external valuations the Directors' valuation is supported by internal Mirvac valuation models. Fair value of investment properties was a key audit matter because: • Investment property balances are financially significant in the Consolidated Statement of Financial Position.	We evaluated the design of the Group's relevant controls over investment property valuations and assessed whether a sample of these controls operated effectively throughout the year including: • The Group's compliance with its policy to externally value all properties at least once in the last two years and to rotate valuation firms. • The approval of the adopted fair values for all individual properties by the Directors. We evaluated the appropriateness of the valuation methodologies used against the requirements of Australian Accounting Standards. We agreed the fair values of all properties to the external valuation or internal valuation model (together, the 'valuations') and assessed the competency, capability and objectivity of the relevant external or internal valuer. We read recent independent property market reports to develop our understanding of the prevailing market conditions in which the Group invests. We engaged PwC valuation experts as part of developing an understanding of the prevailing market

Independent auditor's report

- The impact of changes in the fair value of investment properties can have a significant effect on the Group's total comprehensive income.
- Investment property valuations are inherently subjective due to the use of unobservable inputs in the valuation methodology.
- Fair values are highly sensitive to changes in key assumptions.

conditions and their expected impact on the Group's investment properties.

We met with management to discuss the specifics of the property portfolio including, amongst other things, any significant leasing activity, capital expenditure or vacancies impacting the portfolio.

We evaluated the completeness and accuracy of tenancy schedules used in the valuations on a sample basis to evaluate whether the relevant leasing information had been correctly input.

We performed a risk assessment over the Group's investment property portfolio to determine those properties at greater risk of fair value being materially misstated. Our risk assessment was informed by our understanding of each property, consideration of the results of the Group's estimate of fair value and our understanding of current market conditions.

For those properties which were assessed as being at greater risk, we performed procedures to assess the appropriateness of key assumptions used in the Group's assessment of fair value including the performance of the following procedures over the valuations:

- Obtained the valuation and held discussions with management to develop an understanding of the basis for assumptions used.
- Assessed the appropriateness of the methodology adopted and the mathematical accuracy of the valuations.
- Assessed the appropriateness of the capitalisation rate, discount rate and market rents used in the valuation by comparing them against market data for comparable properties.
- Assessed the appropriateness of rental income data used in the valuation against rental income recorded in the general ledger in FY23 for each property.

We also assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting Standards.

Independent auditor's report

pwc

Key audit matter	How our audit addressed the key audit matter
Recognition of development & construction management services revenue *(Refer to note B2) $346m* Development and construction management services revenue is recognised based on the satisfaction of performance obligations. There is judgement required by the Group to determine when performance obligations are met. In particular, where revenue is recognised on a percentage of completion basis, it involves the use of forward-looking assumptions including forecast costs of completion and the date of project completion. Revenue recognition on construction projects was a key audit matter because: • There is significant judgement in determining the amount of revenue to be recognised in the year; • These revenue streams are significant to the Group's comprehensive income; and • Changes in the assumptions used to estimate the percentage of completion on construction projects can have a significant effect on the Group's comprehensive income.	We evaluated the design of the Group's relevant controls over the recognition of development & construction management services revenue and assessed whether a sample of these controls operated effectively throughout the year, including: • The Group's process for review of key assumptions used in the estimation of forward-looking assumptions including forecast costs of completion and the date of project completion. For a sample of projects we: • Obtained the relevant development agreements executed between the Group and the external customer(s) and evaluated the terms of the agreement to obtain an understanding of the performance obligations and transaction price. • Performed site visits to obtain an understanding of the overall project scope and stage of progress. We performed audit procedures over a sample of projects for which revenue was recognised in the year. In our audit procedures we: • Obtained and discussed the project feasibility model with management to develop an understanding of project status and risks and the basis of the assumptions used by the Group in their assessment of revenue and costs for the year. • Obtained and assessed the appropriateness of evidence used by the Group to support forecast project revenue. • Performed look-back procedures, comparing current year revenue recognised to prior year revenue forecasts for FY23. • Obtained and assessed the appropriateness of evidence used by the Group to support forecast costs of completion and date of project completion.

Independent auditor's report

- Performed look-back procedures, comparing current year costs recognised to prior year cost forecasts for FY23.
- Assessed the appropriateness of capitalisation of costs incurred to date and forecast costs to completion.

We also assessed the reasonableness of the Group's disclosures against the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

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

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

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

Responsibilities of the directors for the financial report

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

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

Auditor's responsibilities for the audit of the financial report

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

Independent auditor's report

if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 49 to 69 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of Mirvac Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

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

PricewaterhouseCoopers

PricewaterhouseCoopers

V Papageorgiou

Joe Sheeran

Voula Papageorgiou
Partner

Joe Sheeran
Partner

Sydney
16 August 2023

Securityholder information

MANAGING YOUR SECURITYHOLDING

Securityholders with queries concerning their holding, distribution payments or other related matters should contact Mirvac's registry, Link Market Services Limited, as follows:

> Mirvac information line (toll free within Australia): +61 1800 356 444; or
> Website: www.linkmarketservices.com.au

When contacting the registry, please quote your current address details together with your Securityholder Reference Number (SRN) or Holder Identification Number (HIN) as shown on your Issuer Sponsored or CHESS statements. The most efficient way to access your securityholding details is online at www.linkmarketservices.com.au. You will need your SRN or your HIN (this reference number is recorded in statements that you receive about your holding in Mirvac) when you log-in online.

You can do the following online at www.linkmarketservices.com.au:

> elect to receive important communications by email;
> choose to have your distribution payments paid directly into your bank account;
> provide your tax file number (TFN) or Australian Business Number (ABN);
> lodge your votes for securityholder meetings; and
> Complete Tax Residency Certification (CRS/FATCA).

Managing your securityholding online is speedier, cost-effective and environmentally friendly. If it is easier for you to update your securityholding information by post, you can download the forms from www.linkmarketservices.com.au or by contacting the Mirvac information line (toll free within Australia) on +61 1800 356 444 to request the appropriate forms to be sent out to you.

The information set out below was prepared at 31 July 2023 and applies to Mirvac's stapled securities (ASX code: MGR). As at 31 July 2023 there were 3,945,860,217 stapled securities on issue.

SUBSTANTIAL SECURITYHOLDERS

As disclosed in substantial holding notices lodged with the ASX at 31 July 2023:

Name	Date of change	Number of stapled securities	Percentage of issued equity[1] %
BlackRock Group (BlackRock Inc. and subsidiaries)	29/11/2021	410,682,477	10.41
The Vanguard Group, Inc	15/11/2021	375,102,424	9.51
State Street Corporation and subsidiaries	9/02/2023	329,552,649	8.35
APG Asset Management N.V.	27/01/2023	243,681,056	6.18

1. Percentage of issued equity held as at the date notice provided.

RANGE OF SECURITYHOLDERS

Range	Number of holders	Number of securities	Percentage of issued equity[1] %
1 to 1,000	7,909	3,655,846	0.09
1,001 to 5,000	10,551	28,926,909	0.73
5,001 to 10,000	4,799	35,380,611	0.90
10,001 to 100,000	5,698	135,544,514	3.44
100,001 and over	233	3,742,352,337	94.84
Total number of securityholders	**29,190**	**3,945,860,217**	**100.00**

1. Percentage of issued equity held as at the date notice provided.

Securityholder information

20 LARGEST SECURITYHOLDERS

Name		Number of stapled securities	Percentage of issued equity %
1.	HSBC Custody Nominees (Australia) Limited	1,803,564,894	45.71
2.	J P Morgan Nominees Australia Pty Limited	810,409,142	20.54
3.	Citicorp Nominees Pty Limited	475,867,496	12.06
4.	National Nominees Limited	160,687,214	4.07
5.	BNP Paribas Noms Pty Ltd	149,855,880	3.80
6.	BNP Paribas Nominees Pty Ltd	43,237,381	1.10
7.	Citicorp Nominees Pty Limited	40,496,524	1.03
8.	Australian Foundation Investment Company Limited	29,350,000	0.74
9.	HSBC Custody Nominees (Australia) Limited	27,032,103	0.69
10.	BNP Paribas Noms(Nz) Ltd	14,855,676	0.38
11.	HSBC Custody Nominees (Australia) Limited	12,744,460	0.32
12.	BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd	10,942,153	0.28
13.	Solium Nominees (Australia) Pty Ltd	10,789,324	0.27
14.	HSBC Custody Nominees (Australia) Limited – A/C 2	9,229,737	0.23
15.	Warbont Nominees Pty Ltd	8,926,148	0.23
16.	Djerriwarrh Investments Limited	8,896,500	0.23
17.	Mutual Trust Pty Ltd	8,652,842	0.22
18.	Medich Capital Pty Ltd	6,533,980	0.17
19.	Argo Investments Limited	6,000,551	0.15
20.	Sobeda Pty Ltd	5,464,083	0.14
Total for 20 largest securityholders		**3,643,536,088**	**92.34**
Total other securityholders		**302,324,129**	**7.66**
Total stapled securities on issue		**3,945,860,217**	**100.00**

Number of securityholders holding less than a marketable parcel (being 213 securities at the closing market price of $2.34 on 31 July 2023): 2,024.

VOTING RIGHTS

Subject to the Constitutions of Mirvac Limited and of MPT and to any rights or restrictions for the time being attached to any class or classes of shares, units or stapled securities:

> on a show of hands, each Member present in person or by proxy, attorney, or representative has one vote; and

> on a poll, each Member has:
  - in the case of a resolution of Mirvac Limited, one vote for each share in Mirvac Limited held; and
  - in the case of a resolution of MPT, one vote for each whole $1.00 of unit value in MPT held.

Glossary

AASB	Australian Accounting Standards Board
ABN	Australian business number
AGM	Annual General and General Meeting
ARCC	Audit, Risk & Compliance Committee
ARSN	Australian Registered Scheme Number
ASIC	Australian Securities and Investments Commission
ASX	Australian Securities Exchange
AUD	Australian dollar
BTR	Build to Rent
CCIRS	Cross currency interest rate swap
CEO	Chief Executive Officer
CEO/MD	Chief Executive Officer/Managing Director
CFO	Chief Financial Officer
CGU	Cash generating unit
CHESS	Clearing House Electronic Subregister System
CPSS	Cents per stapled security
DCF	Discounted cash flow
DRP	Dividend/distribution reinvestment plan
EBIT	Earnings before interest and taxes
EBITDA	Earnings before interest, taxes, depreciation and amortisation
ECL	Expected credit loss
EEP	Employee Exemption Plan
EIS	Employee Incentive Scheme
ELT	Executive Leadership Team
EPS	Earnings per stapled security
FFO	Funds From Operations
FY22	Year ending 30 June 2022
FY23	Year ending 30 June 2023
GLA	Gross leasable area
HIN	Holder Identification Number
HRC	Human Resources Committee
HSE	Health, safety and environment
HSE&S	Health, safety, environment and sustainability
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
IP	Investment properties
IPUC	Investment properties under construction
JVA	Joint ventures and associates
KMP	Key management personnel
LSL	Long service leave
LTI	Long-term incentives
LTIFR	Lost time injury frequency rates
MPC	Masterplanned communities
MPT	Mirvac Property Trust
MTN	Medium-term notes
NABERS	National Australian Built Environment Rating System
NED	Non-Executive Directors
NOI	Net operating income
NRV	Net realisable value
PPE	Property, plant and equipment
PwC	PricewaterhouseCoopers
RAP	Reconciliation action plan
ROIC	Return on invested capital
SBP	Security-based payments
SaaS	Software-as-a-Service
SoCE	Statement of changes in equity
SoCI	Statement of comprehensive income
SoFP	Statement of financial position
SRN	Securityholder Reference Number
STI	Short-term incentives
TFN	Tax file number
TGS	Tax Governance Statement
TSR	Total shareholder return
TTC	Tax Transparency Code
USPP	US Private Placement
WACC	Weighted average cost of capital
WALE	Weighted average lease expiry

Directory & Upcoming Events

Registered office/Principal office

Mirvac Group (comprising Mirvac Limited ABN 92 003 280 699 and Mirvac Funds Limited ABN 70 002 561 640, AFSL 233121 as responsible entity of MPT ARSN 086 780 645)

Level 28, 200 George Street
Sydney NSW 2000

Telephone +61 2 9080 8000

Facsimile +61 2 9080 8111

www.mirvac.com

Securities exchange listing

Mirvac is listed on the Australian Securities Exchange (ASX code: MGR).

Directors

Robert Sindel (Chair)

Campbell Hanan (CEO/MD)

Christine Bartlett

Damien Frawley

Jane Hewitt

James M. Millar AM

Samantha Mostyn AO

Peter Nash

Company Secretary

Michelle Favelle

Stapled security registry

Link Market Services Limited

Parramatta Square, Level 22, Tower 6
10 Darcey Street, Paramatta NSW 2150

Telephone +61 1800 356 444

Securityholder enquiries

Telephone +61 1800 356 444

Correspondence should be sent to:

Mirvac Group

C/- Link Market Services Limited
Locked Bag 14
Sydney South NSW 1235.

Further investor information can be located in the Investor Centre tab on Mirvac's website at www.mirvac.com

Auditor

PricewaterhouseCoopers

One International Towers Sydney,
Watermans Quay Barangaroo NSW 2000

Annual General and General Meeting

Mirvac Group's 2023 AGM will be held at 11.00am (AEDT)
Thursday, 16 November 2023

Upcoming events

25 October 2023	First Quarter Operational Update
16 November 2023	Annual General and General Meetings

DesignDavey

www.mirvac.com