

**NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES**

**ASX ANNOUNCEMENT**

1 July 2022

**Retail Entitlement Offer – Retail Offer Booklet**

carsales.com Limited (**CAR**) advises the retail component of its fully underwritten 1 for 4.16 pro-rata accelerated non-renounceable entitlement offer that was announced to ASX on 27 June 2022 (**Retail Entitlement Offer**) opens today.

Enclosed is a copy of the Retail Offer Booklet in respect of the Retail Entitlement Offer.

**For further information contact:**

Nicole Birman  
Company Secretary

This announcement was authorised to be given to the ASX by the Company Secretary.

**Not for distribution or release in the United States**

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the new shares to be issued under the Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**US Securities Act**) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the new shares issued under the Entitlement Offer may not be offered or sold, directly or indirectly, to persons in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of persons in the United States). In the Retail Entitlement Offer, the entitlements may only be taken up or exercised, and the new shares may only be offered or sold outside the United States, in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

# Retail Entitlement Offer

**carsales.com Limited**

ACN 074 444 018

1 for 4.16 accelerated non-renounceable entitlement offer of carsales.com Limited (**CAR**) ordinary shares at an offer price of \$17.75 per New Share.

The Retail Entitlement Offer is fully underwritten.

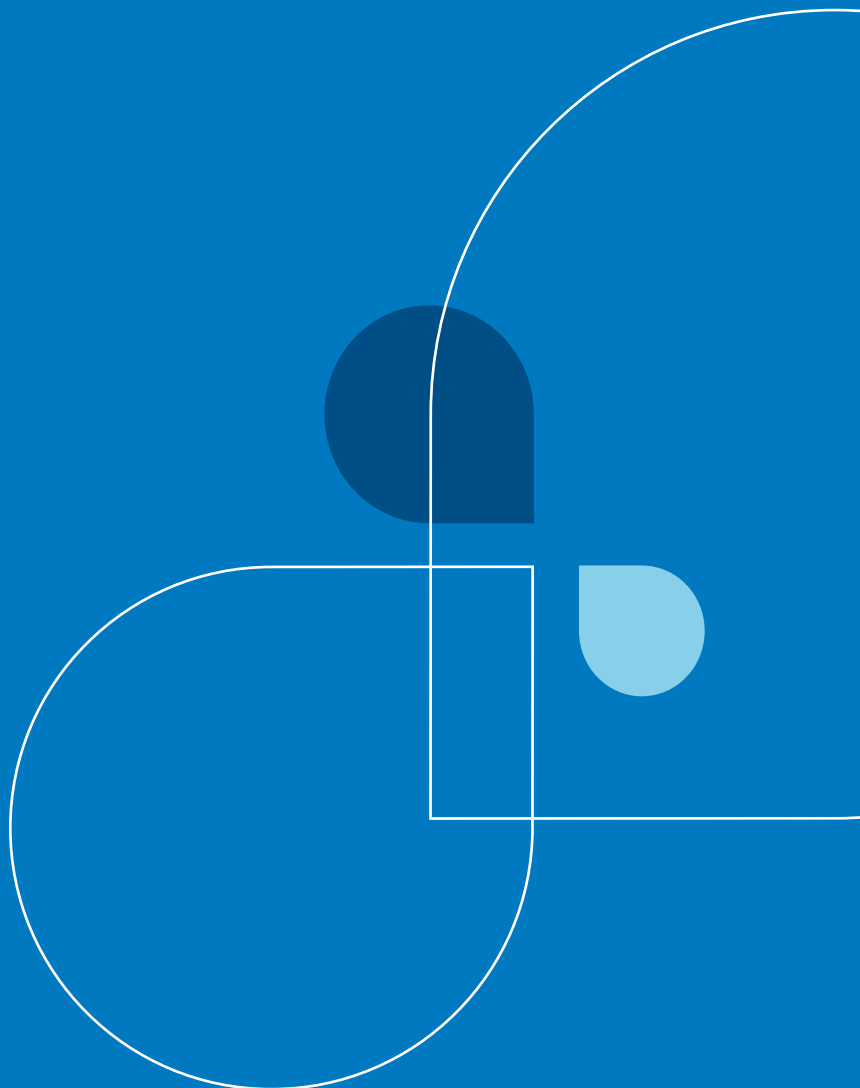
Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Wednesday, 13 July 2022.

This is an important document which is accompanied by a personalised Entitlement and Acceptance Form for you to subscribe for new ordinary shares in CAR. You should read this document carefully in its entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission. You should call your professional adviser or the Offer Information Line if you have any queries.

**NOT FOR DISTRIBUTION OR RELEASE  
IN THE UNITED STATES**

# Contents

Important Notices	3
Letter from the Chairperson	5
Summary of Entitlement Offer	7
Key Dates for Retail Entitlement Offer	8
1 Summary of Options Available to You	9
2 How to Apply	11
3 ASX Announcements	18
4 Australian Tax Considerations	96
5 Important Information	100
6 Glossary	107
Corporate Directory	110



# Important Notices

This Information Booklet is dated Friday, 1 July 2022.

Defined terms used in these important notices have the meaning given in this Information Booklet.

The Retail Entitlement Offer is being made pursuant to section 708AA of the *Corporations Act 2001* (Cth) (**Corporations Act**) (as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*) and *ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73* which allows entitlement offers to be offered without a prospectus. As a result, this offer is not being made under a prospectus and does not contain all of the information which would be required to be disclosed in a prospectus. It is important for Eligible Retail Shareholders to read and understand the information on carsales.com Limited ACN 074 444 018 (**CAR**) and the Retail Entitlement Offer made publicly available, before taking up all or part of their Entitlement, including without limitation, the ASX Announcement, the Investor Presentation and the Institutional Entitlement Offer results, CAR's interim and annual reports and other announcements made by CAR which are available at [www.asx.com.au](http://www.asx.com.au) (including announcements which may be made by CAR after the publication of this Information Booklet).

## **This information is important and requires your immediate attention.**

You should read this Information Booklet carefully in its entirety before deciding whether to participate in the Retail Entitlement Offer. It is important for you to read and understand the publicly available information on CAR and the Retail Entitlement Offer prior to deciding whether to accept your Entitlement. By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY<sup>®1</sup> (or if you are based in New Zealand and unable to pay using BPAY<sup>®</sup>, by Electronic Funds Transfer in accordance with the instructions in Section 2.12(b) of this Information Booklet) you acknowledge that you have read this Information Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer as set out in this Information Booklet.

## **Future performance and forward-looking statements**

This Information Booklet contains certain forward-looking statements with respect to the financial condition, results of operations, projects and business of CAR and certain plans and objectives of CAR.

Forward-looking statements can generally be identified by the use of forward-looking words such as 'expect', 'anticipate', 'likely', 'intend', 'propose', 'should', 'could', 'may', 'will', 'predict', 'plan', 'believe', 'forecast', 'estimate', 'target', 'continue', 'objectives', 'outlook', 'guidance', 'project' and other similar expressions.

The forward-looking statements, opinions and estimates contained in this Information Booklet are based on assumptions and contingencies which are subject to change without notice, as are any statements about market and industry trends, which are based on interpretations of current market conditions. They involve known and unknown risks

(including (without limitation) the risks and uncertainties associated with the ongoing impact of COVID-19, the military conflicts in the Ukraine and its impacts on global fuel prices, and the impact of these events on global supply chains and economic conditions, and risks set out in the 'Key Risks' Section of the Investor Presentation) and uncertainties and other factors, many of which are beyond the control of CAR and its officers, employees, agents and associates, and may involve significant elements of subjective judgement and assumptions as to future events which may or may not be correct.

Any forward-looking statements are provided as a general guide only and should not be relied upon as an indication or guarantee of future performance. Readers are cautioned not to place undue reliance on forward-looking statements. There can be no assurance that actual outcomes will not differ materially from these forward-looking statements. A number of important factors could cause actual results or performance to differ materially from the forward-looking statements. Investors should consider the forward-looking statements contained in this Information Booklet in light of those disclosures.

**You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the ongoing impact of COVID-19, as well as the military conflict in the Ukraine and its impact on global fuel prices, and the impact of these events on global supply chains and economic conditions.**

CAR disclaims any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. CAR disclaims any responsibility to update or revise any forward-looking statement to reflect any change in CAR's financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law (including the Listing Rules).

## **Past performance**

Investors should note that past performance, including past share price performance, cannot be relied upon as an indicator of (and provides no guidance as to) future CAR performance including future share price performance.

## **Jurisdictions**

This Information Booklet is intended for use only in connection with the Retail Entitlement Offer to Eligible Retail Shareholders with a registered address in Australia or New Zealand. This Information Booklet does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Information Booklet does not constitute an offer to Ineligible Retail Shareholders.

1. Registered to BPAY Pty Ltd ABN 69 079 137 518.

## Important Notices continued

### Not for release or distribution in the United States of America

This Information Booklet and any accompanying ASX Announcements or the Entitlement and Acceptance Form do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. Neither this Information Booklet (or any part of it), the Entitlement and Acceptance Form nor any accompanying ASX Announcements, may be distributed or released in the United States or to any person acting for the account or benefit of any person in the United States. The entitlements to purchase new ordinary shares in CAR (**New Shares**) pursuant to the offer described in this Information Booklet (**Entitlements**) and the New Shares have not been, and will not be, registered under the US Securities Act of 1933, as amended (**US Securities Act**), or the securities laws of any state or other jurisdiction of the United States. Accordingly, the Entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly to, persons in the United States or to persons acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of persons in the United States). In the Retail Entitlement Offer, the Entitlements may only be taken up or exercised, and the New Shares may only be offered or sold outside the United States, in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act.

### Risks

An investment in New Shares is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are beyond the control of CAR and its board, including the risks described in the 'Key Risks' Section of the Investor Presentation, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Information Booklet. Neither CAR, its officers, employees, agents, associates and advisers, nor any other person, warrants or guarantees the future performance of the New Shares, any return or any particular rate of return, the performance of CAR, the repayment of capital from CAR or any particular taxation treatment. In considering an investment in the New Shares, investors should have regard to (among other things) the risks and disclaimers outlined in this Information Booklet.

Refer to the 'Key Risks' Section of the Investor Presentation included in Section 3 of this Information Booklet for a summary of certain general and CAR specific risk factors that may affect CAR.

### Not investment advice

Investors must note that the information provided in this Information Booklet and the accompanying Entitlement and Acceptance Form does not constitute financial product advice. All information has been prepared without taking into account your individual investment objectives, financial circumstances or particular needs. The information contained in this Information Booklet and the accompanying Entitlement and Acceptance Form should not be considered as comprehensive or to comprise all the information which a prospective investor may require in order to determine whether or not to subscribe for New Shares. If you have any questions, please consult your professional adviser before deciding whether or not to invest.

### Taxation

There will be a tax implication associated with participating in the Retail Entitlement Offer and receiving New Shares or additional New Shares. Section 4 provides for a general guide to the Australian income tax, goods and services tax and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders. The guide does not take account of the individual circumstances of particular Eligible Retail Shareholders and does not constitute tax advice. CAR recommends that you consult your professional tax adviser in connection with the Retail Entitlement Offer.

### References to 'you', 'your Entitlement' and 'your Retail Entitlement Offer'

In this Information Booklet, references to 'you' are references to Eligible Retail Shareholders and references to 'your Entitlement' or 'your Retail Entitlement Offer' (or 'your Entitlement and Acceptance Form') are references to the Entitlement (or Entitlement and Acceptance Form) of Eligible Retail Shareholders, unless the context provides otherwise.

### Times and dates

Times and dates in this Information Booklet are indicative only and subject to change. All times and dates refer to Melbourne, Australia time. Refer to the 'Key Dates' Section of this Information Booklet for more details.

### Currency

Unless otherwise stated, all dollar values in this Information Booklet are in Australian dollars (A\$).

# Letter from the Chairperson

Friday, 1 July 2022

Dear Shareholder

As announced on Monday, 27 June 2022, carsales.com Limited (ASX: CAR) (**CAR**) has exercised its call option to acquire the remaining 51% in Trader Interactive LLC (**Trader Interactive**) for US\$809 million (the **Proposed Transaction**). CAR acquired a 49% interest in Trader Interactive on 1 September 2021 (the **2021 Transaction**).

The Proposed Transaction continues CAR's international growth strategy into large, fast-growing non-auto industries where CAR has market-leading positions. CAR has a strong track record of delivering value through building scale in international markets, and moving to 100% ownership of Trader Interactive accelerates CAR's expansion in the US. The Proposed Transaction is expected to generate high single-digit to low double-digit EPS accretion in the first full year after completion.

Further information about the Proposed Transaction, including strategic and financial benefits, is detailed in CAR's ASX Announcement and Investor Presentation lodged with ASX on Monday, 27 June 2022 (and included in this Information Booklet in Section 3).

## Details of Entitlement Offer

The directors of CAR are pleased to invite you to participate in a fully underwritten accelerated non-renounceable entitlement offer to raise gross proceeds of approximately \$1,207 million (**Entitlement Offer**). The structure is designed to deliver fairness to all Eligible Shareholders.

As announced by CAR on Monday, 27 June 2022, the Entitlement Offer will comprise:

- (a) an institutional entitlement offer (**Institutional Entitlement Offer**); and
- (b) a retail entitlement offer (**Retail Entitlement Offer**).

The proceeds of the Entitlement Offer will be used to fund the Proposed Transaction and associated transaction costs.

As announced on Wednesday, 29 June 2022, the Institutional Entitlement Offer successfully completed before trading commenced on Wednesday, 29 June 2022, resulting in the issuance of approximately 47.4 million New Shares in the capital of CAR and raising approximately \$842 million. The Institutional Entitlement Offer had a take up rate of 90% by Eligible Institutional Shareholders.

## Retail Entitlement Offer

This Information Booklet relates to the Retail Entitlement Offer. Under the Retail Entitlement Offer, Eligible Retail Shareholders are entitled to subscribe for 1 New Share for every 4.16 fully paid ordinary shares (**Shares**) held at 7.00pm (Melbourne time) on Wednesday, 29 June 2022 (**Record Date**), at an offer price of \$17.75 per New Share (**Offer Price**). The Offer Price is the same price that was offered to Eligible Institutional Shareholders who participated in the Institutional Entitlement Offer.

The Offer Price represents a 14.5% discount to CAR's last closing price prior to the announcement of the Proposed Transaction.

The number of New Shares for which you are entitled to subscribe for under the Retail Entitlement Offer (your Entitlement) is set out in your personalised Entitlement and Acceptance Form and can be accessed and downloaded at the Entitlement Offer Website: [www.carsalesoffer.com.au](http://www.carsalesoffer.com.au).

New Shares will be issued on a fully paid basis and will, from the date of issue, rank equally with Existing Shares.

The Retail Entitlement Offer is non-renounceable, and rights are not transferable and will not be traded on the ASX or other exchange. I encourage you to consider the Retail Entitlement Offer carefully and consider it alongside your professional adviser.

Shareholders in the United States are not eligible to participate in the Retail Entitlement Offer. Similarly, shareholders (including custodians and nominees) who hold Shares on behalf of persons in the United States or are acting for the account or benefit of persons in the United States, are not eligible to participate in the Retail Entitlement Offer on behalf of those persons. Please refer to Section 1 of this Information Booklet to see whether you are eligible to participate in the Retail Entitlement Offer.

## Letter from the Chairperson continued

The Retail Entitlement Offer is fully underwritten by Morgan Stanley Australia Securities Limited ABN 55 078 652 276, Goldman Sachs Australia Pty Ltd ABN 21 006 797 897 and UBS Securities Australia Ltd ABN 62 008 586 481 (the **Underwriters**). A summary of the key terms of the underwriting agreement between CAR and the Underwriters is provided in Section 5.16.

### Information Booklet

This Information Booklet contains important information, including:

- ASX Announcements relating to the Entitlement Offer, including the Investor Presentation, which provides information on CAR, the Entitlement Offer, the Proposed Transaction and key risks for you to consider;
- instructions on how to apply, detailing how to participate in the Retail Entitlement Offer if you choose to do so, and a timetable of key dates; and
- instructions on how to take up all or part of your Entitlement via BPAY® or, if you are a New Zealand Shareholder, by Electronic Funds Transfer.

### How to apply

Your personalised Entitlement and Acceptance Form, which contains details of your Entitlement and instructions on how to take up your Entitlement, can be accessed and downloaded via the Entitlement Offer Website: [www.carsalesoffer.com.au](http://www.carsalesoffer.com.au). The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Wednesday, 13 July 2022. To participate, you must ensure that you have completed your Application by paying the relevant Application Money by BPAY® before this time. If you are an Eligible Retail Shareholder in New Zealand, you must pay by Electronic Funds Transfer. Please refer to Section 2.12 of this Information Booklet for further information regarding payment.

Detailed instructions on how to apply are set out in Section 2 of this Information Booklet and in your Entitlement and Acceptance Form.

If you do not wish to take up any of your Entitlement, you do not have to take any action.

### Further information

Please carefully read this Information Booklet in its entirety and consult your professional adviser before making your investment decisions. In particular, you should read and consider the 'Key Risks' sections of the Investor Presentation included in Section 3 of this Information Booklet, which contains a summary of some of the key risks associated with an investment in CAR.

For further information regarding the Retail Entitlement Offer, shareholders with a registered address in Australia or New Zealand can call the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period or visit the Entitlement Offer Website: [www.carsalesoffer.com.au](http://www.carsalesoffer.com.au).

I intend to take up my full Entitlement, as do my fellow directors.

On behalf of the board of CAR, I have pleasure in inviting you to consider this investment opportunity and thank you for your ongoing support of CAR.

Yours faithfully,



**Pat O'Sullivan**  
Chairperson  
**carsales.com Limited**

## Summary of Entitlement Offer

### Entitlement Offer

Ratio	1 for every 4.16 existing Shares
Offer Price	\$17.75 per New Share
Size (approx.)	Approximately 47.4 million New Shares under the Institutional Entitlement Offer and approximately 20.6 million New Shares under the Retail Entitlement Offer
Gross Proceeds	Approximately \$1,207 million, comprising approximately \$842 million under the Institutional Entitlement Offer and approximately \$365 million under the Retail Entitlement Offer



## Key Dates for Retail Entitlement Offer

Event	Date
Trading halt and announcement of Proposed Transaction and Entitlement Offer	Monday, 27 June 2022
Institutional Entitlement Offer open	Monday, 27 June 2022
Institutional Entitlement Offer close	Tuesday, 28 June 2022
Announcement of results of Institutional Entitlement Offer	Wednesday, 29 June 2022
Trading resumes on an 'ex-entitlement' basis	Wednesday, 29 June 2022
Record Date for the Entitlement Offer	Wednesday, 29 June 2022
Despatch of Information Booklet and Entitlement and Acceptance Form to Eligible Retail Shareholders	Friday, 1 July 2022
Retail Entitlement Offer opens	Friday, 1 July 2022
Allotment and trading of New Shares issued in connection with the Institutional Entitlement Offer	Wednesday, 6 July 2022
Retail Entitlement Offer closes	5.00pm Wednesday, 13 July 2022
Announcement of results of Retail Entitlement Offer	Friday, 15 July 2022
Allotment of New Shares under the Retail Entitlement Offer	Wednesday, 20 July 2022
Normal trading of New Shares issued under the Retail Entitlement Offer	Thursday, 21 July 2022
Despatch of holding statements	Thursday, 21 July 2022

The above timetable is indicative only and subject to change. Subject to the requirements of the *Corporations Act 2001* (Cth), the ASX Listing Rules and other applicable rules, carsales reserves the right to amend this timetable at any time, including extending the period for the Entitlement Offer or accepting late applications, either generally or in particular cases, by lodging a revised timetable with ASX.

The commencement of quotation of New Shares issued under the Retail Entitlement Offer is subject to confirmation from ASX.

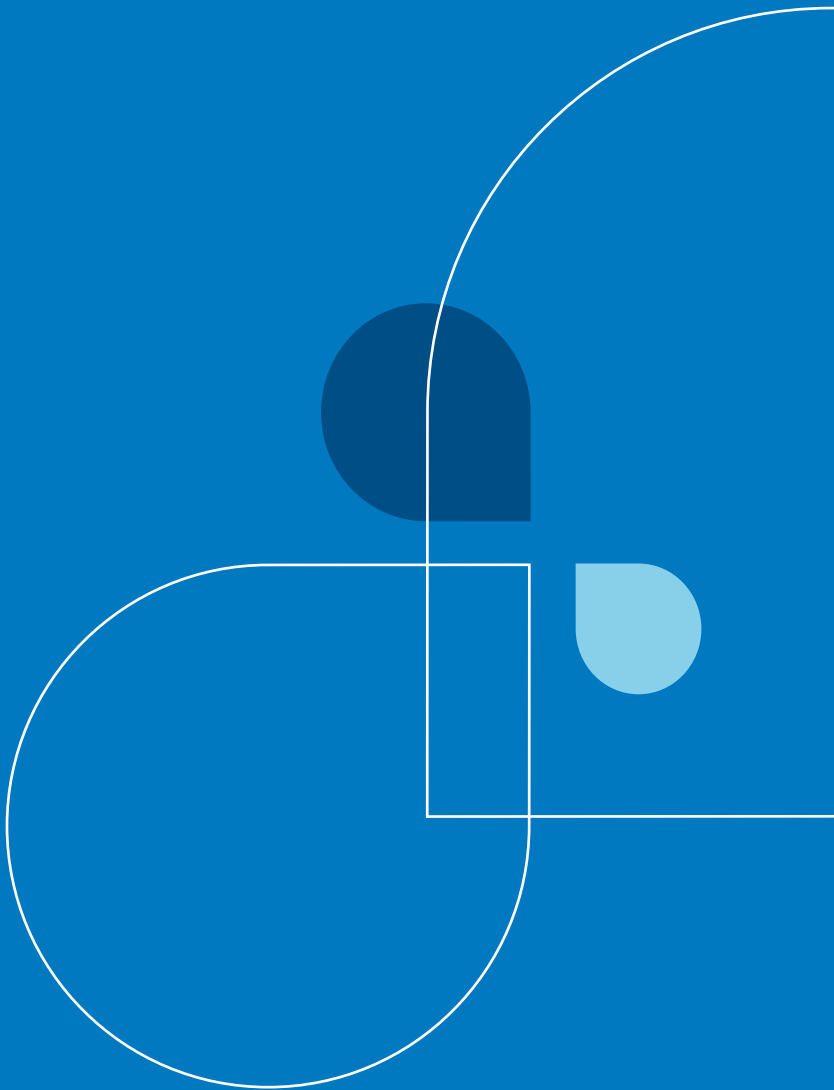
Cooling off rights do not apply to the Retail Entitlement Offer. You cannot withdraw your Application once it has been accepted. Eligible Retail Shareholders are encouraged to take up their Entitlement as soon as possible after the Retail Entitlement Offer opens.

### Enquiries

For further information regarding the Retail Entitlement Offer, please call the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period. If you have any questions, please consult your professional adviser.

1

## Summary of Options Available to You



# 1 Summary of Options Available to You

If you are an Eligible Retail Shareholder, you may take any one of the following actions:

- take up all of your Entitlement;
- take up part of your Entitlement and allow the balance to lapse; or
- do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

**“Eligible Retail Shareholders”** are those Shareholders who:

- as at the Record Date, have a registered address in Australia or New Zealand recorded on CAR’s Share register;
- are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent such Shareholders hold Shares for the account or benefit of such persons in the United States);
- were not invited to participate (other than as a nominee) or were otherwise ineligible to participate in the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, product disclosure document or offer document to be lodged or registered.

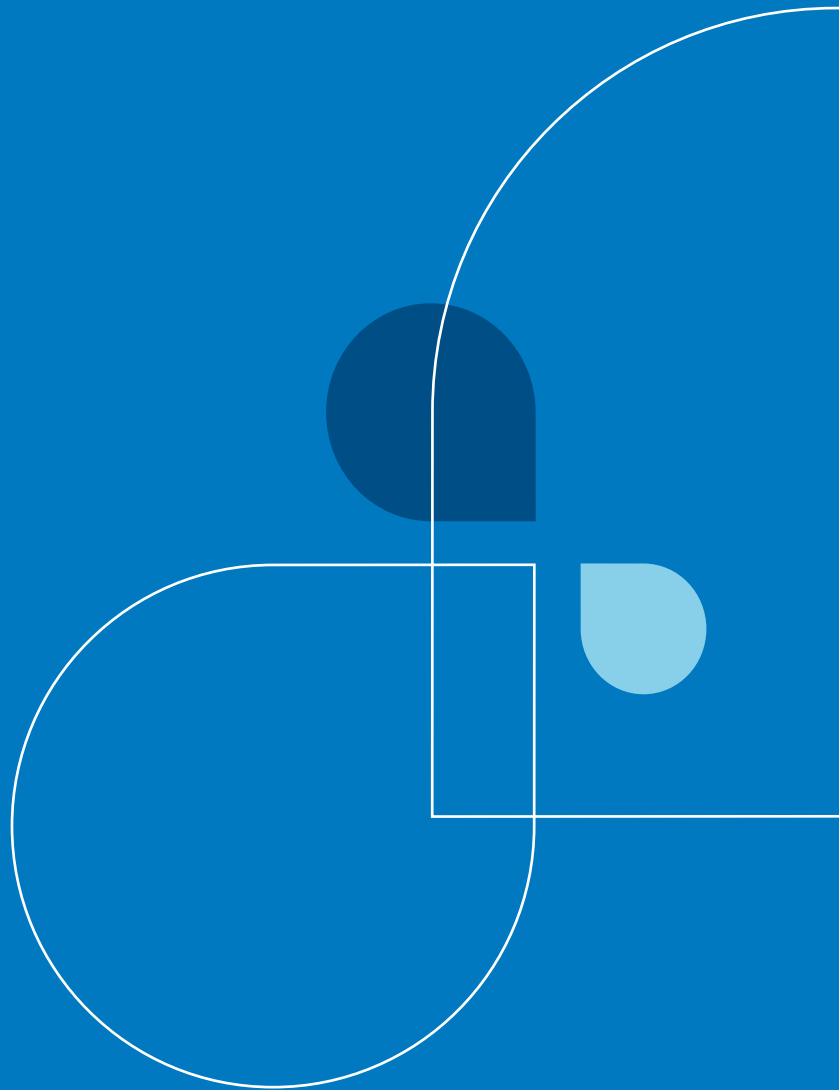
If you are a retail shareholder that is not an Eligible Retail Shareholder you are an **“Ineligible Retail Shareholder”**. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

If you have any doubt about how you should deal with your Entitlement, you should seek professional advice from an adviser who is licensed by ASIC to give that advice before making any investment decision.

Options available to you	Key considerations	Relevant Section for further information
1. Take up all of your Entitlement	<ul style="list-style-type: none"> <li>• You may elect to purchase New Shares at the Offer Price (see Section 2 “How to Apply” for instructions on how to take up your Entitlement).</li> <li>• The New Shares will rank equally in all respects with Existing Shares (including rights to dividends and distributions).</li> <li>• The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Wednesday, 13 July 2022.</li> </ul>	Section 2.7
2. Take up part of your Entitlement	<ul style="list-style-type: none"> <li>• If you only take up part of your Entitlement, the part not taken up will lapse.</li> <li>• If you do not take up your Entitlement in full you will not receive any payment or value for those Entitlements not taken up.</li> <li>• If you do not take up your Entitlement in full, you will have your percentage holding in CAR reduced as a result of the Retail Entitlement Offer.</li> </ul>	Section 2.8
3. Do nothing, in which case your Entitlement will lapse and you will receive no value for those lapsed Entitlements	<ul style="list-style-type: none"> <li>• If you do not take up your Entitlement, you will not be allocated New Shares and your Entitlements will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable, which means they are non-transferable and cannot be sold, or traded on ASX or any other exchange, nor can they be privately transferred.</li> <li>• If you do not take up your Entitlement you will not receive any payment or value for your Entitlement not taken up.</li> <li>• If you do not take up your Entitlement, you will have your percentage holding in CAR reduced as a result of the Retail Entitlement Offer.</li> </ul>	Section 2.9

# 2

## How to Apply



## 2 How to Apply

### 2.1 Before making a decision

This Information Booklet (including the ASX Announcements and Investor Presentation set out in Section 3 and the Important Information set out in Section 5) should be read carefully and in its entirety before making any decision about your Entitlement. You should be aware that an investment in CAR involves risks. The key risks identified by CAR are set out in the 'Key Risks' Section of the Investor Presentation included in Section 3 of this Information Booklet.

### 2.2 Overview of Entitlement Offer

CAR intends to raise approximately \$1,207 million through the Entitlement Offer. As announced by CAR on Wednesday, 29 June 2022, the Institutional Entitlement Offer raised approximately \$842 million, with the remaining amount to be raised via the Retail Entitlement Offer.

The proceeds of the Entitlement Offer will be used to fund the Proposed Transaction and associated transaction costs.

### 2.3 Overview of Retail Entitlement Offer

Eligible Retail Shareholders are being offered the opportunity to purchase 1 New Share for every 4.16 Existing Shares held as at 7.00pm (Melbourne time) on Wednesday, 29 June 2022 (**Record Date**), at the Offer Price of \$17.75 per New Share.

The Retail Entitlement Offer is non-renounceable. This means Entitlements do not trade on the ASX and cannot be dealt with, sold or transferred. The New Shares issued under the Institutional Entitlement Offer and Retail Entitlement Offer are all issued at the same Offer Price.

The Retail Entitlement Offer opens at 9.00am (Melbourne time) on Friday, 1 July 2022 and will close at 5.00pm (Melbourne time) on Wednesday, 13 July 2022.

The Retail Entitlement Offer is fully underwritten.

### 2.4 Institutional Entitlement Offer

CAR announced the results of the Institutional Entitlement Offer on Wednesday, 29 June 2022. A copy of CAR's announcement to the ASX in relation to the completion of the Institutional Entitlement Offer is included in Section 3.

### 2.5 Your Entitlement

Your Entitlement is set out in your personalised Entitlement and Acceptance Form and has been calculated as 1 New Share for every 4.16 Existing Shares you held as at the Record Date. If the result is not a whole number, your Entitlement will be rounded up to the nearest whole number of New Shares.

Your personalised Entitlement and Acceptance Form can be accessed and downloaded via the Entitlement Offer Website: [www.carsalesoffer.com.au](http://www.carsalesoffer.com.au).

If you have more than one registered holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have a separate Entitlement for each separate holding.

The Entitlement stated on your personalised Entitlement and Acceptance Form may be in excess of the actual Entitlement you may be permitted to take up where, for example, you are holding Shares on behalf of a person in the United States.

## 2.6 Consider the Retail Entitlement Offer carefully in light of your particular investment objectives and circumstances

The Retail Entitlement Offer is being made pursuant to provisions of the Corporations Act which allow rights issues to be made without a prospectus. This Information Booklet does not contain all of the information which may be required in order to make an informed decision regarding an Application for New Shares offered under the Retail Entitlement Offer. As a result, it is important for you to read carefully and understand the publicly available information on CAR and the Retail Entitlement Offer prior to making any decision in respect of your Entitlement. In particular, you should refer to this Information Booklet and other announcements made available on the Entitlement Offer Website: [www.carsalesoffer.com.au](http://www.carsalesoffer.com.au) (including announcements which may be made by CAR after publication of this Information Booklet). You should also refer to the 'Key Risks' Section of the Investor Presentation included in Section 3 of this Information Booklet.

You should consult with your professional adviser if you have any queries or are uncertain about any aspect of the Retail Entitlement Offer.

## 2.7 If you wish to take up all your Entitlement

If you wish to take up all of your Entitlement, you must:

- (a) pay your Application Money via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- (b) if you are a New Zealand Shareholder, please contact the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday for details on how to make payment by Electronic Funds Transfer,

in each case, by no later than 5.00pm (Melbourne time) on Wednesday, 13 July 2022.

CAR will pay any refund amounts in Australian dollars to you either by direct credit to your nominated bank account, or by cheque sent by ordinary post to your address as noted in the share register as at the Closing Date. No interest will be paid on any Application Money received or refunded.

## 2.8 If you wish to take up part of your Entitlement and let the balance lapse

If you wish to take up part of your Entitlement, you must:

- (a) pay your Application Money for the relevant part via BPAY® by following the instructions set out on the personalised Entitlement and Acceptance Form; or
- (b) if you are a New Zealand Shareholder, please contact the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday for details on how to make payment by Electronic Funds Transfer,

in each case, by no later than 5.00pm (Melbourne time) on Wednesday, 13 July 2022.

Any of your Entitlement which you do not take up will lapse. Your percentage shareholding in CAR will be diluted accordingly.

If CAR receives an amount that is less than the Offer Price multiplied by your Entitlement, CAR may treat your payment as an Application for as many New Shares as your Application Money will pay in full and the balance of your Entitlement will lapse.

## 2 How to Apply continued

### 2.9 If you wish to do nothing and allow your Entitlement to lapse

If you do not wish to take up all or any part of your Entitlement, you do not need to take any further action. Your Entitlement will lapse and your percentage shareholding in CAR will be diluted accordingly.

### 2.10 Consequences when an Entitlement lapses

If you do not accept all or part of your Entitlement in accordance with the relevant instructions and all or part of your Entitlement lapses, the New Shares to which you would otherwise have been entitled under the Retail Entitlement Offer may be acquired by the Underwriters.

By allowing all or part of your Entitlement to lapse, you will forego any exposure to increases or decreases in the value of New Shares you would have received had you taken up your Entitlement and you will not receive any value for your Entitlement. Your percentage shareholding in CAR will be diluted accordingly.

### 2.11 Ineligible Retail Shareholders

If you are a retail shareholder that is not an Eligible Retail Shareholder, you are an **“Ineligible Retail Shareholder”**. Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer.

CAR has decided that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia or New Zealand. In making this decision, CAR has had regard to the number of such holders, the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

Ineligible Retail Shareholders are not eligible to participate in the Retail Entitlement Offer due to securities laws restrictions on the offer of New Shares in certain jurisdictions.

CAR reserves the right to determine whether a shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

### 2.12 Payment

You can pay in the following ways:

- by BPAY®; or
- if you are a New Zealand Shareholder, by Electronic Funds Transfer.

Cash payments will not be accepted. Receipts for payment will not be issued.

CAR will treat you as applying for as many New Shares as your payment will pay for in full up to your Entitlement.

Any Application Money received for more than your final allocation of New Shares, provided that amount is more than \$2, will be refunded as soon as practicable after the close of the Retail Entitlement Offer. No interest will be paid to applicants on any Application Money received or refunded.

### (a) Payment by BPAY®

To pay by BPAY®, follow the instructions on your personalised Entitlement and Acceptance Form. You can only pay via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

If you are paying by BPAY®, you must use the specific Biller Code and your unique Customer Reference Number (**CRN**) on your personalised Entitlement and Acceptance Form. If you have multiple holdings and consequently receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding your application will not be recognised as valid.

If you pay by BPAY®:

- you do not need to submit your personalised Entitlement and Acceptance Form but are taken to make the declarations, representations and warranties on that Entitlement and Acceptance Form and in Section 2.13; and
- if you do not pay for your full Entitlement, you are deemed to have taken up your Entitlement in respect of such whole number of New Shares which is covered in full by your Application Money.

It is your responsibility to ensure that your BPAY® payment is received by CAR's Share Registry by no later than 5.00pm (Melbourne time) on Wednesday, 13 July 2022. You should be aware that your financial institution may implement earlier cut-off times with regard to electronic payment, and you should therefore take this into consideration in the timing of when you make payment. CAR takes no responsibility for loss resulting from late payment.

### (b) Payment by Electronic Funds Transfer (New Zealand Shareholders)

To pay by Electronic Funds Transfer, Shareholders in New Zealand can visit the Entitlement Offer website: [www.carsalesoffer.com.au](http://www.carsalesoffer.com.au) to access your personalised Entitlement and Acceptance Form, or call the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am to 5.00pm (Melbourne time) Monday to Friday. You must use your unique payment reference number as displayed on your personalised Entitlement and Acceptance Form when making your Electronic Funds Transfer payment. If you are not a shareholder in New Zealand and you wish to make an Electronic Funds Transfer payment, please contact the Offer Information Line using the phone numbers in Section 2.14 below.

Your Electronic Funds Transfer must be:

- for an amount equal to \$17.75 multiplied by the number of New Shares that you are applying for; and
- in Australian dollars – payment cannot be made in New Zealand dollars.

You should ensure that sufficient funds are held in the relevant account to cover the Application Money as your Electronic Funds Transfer will be processed on the day of receipt. If the amount of your Electronic Funds Transfer is insufficient to pay in full for the number of New Shares you have applied for in your personalised Entitlement and Acceptance Form, you will be taken to have applied for such lower whole number of New Shares as your Application Money will pay for (and to have specified that number of New Shares on your personalised Entitlement and Acceptance Form) and to have provided the representations in Section 2.13. Alternatively, your application may not be accepted.

If you make payment via Electronic Funds Transfer your Application Money must be received at CAR's Share Registry no later than the close of the Retail Entitlement Offer, being 5.00pm (Melbourne time) on Wednesday, 13 July 2022.



## 2 How to Apply continued

### 2.13 Representations by acceptance

By making a payment by BPAY® or Electronic Funds Transfer if you are a New Zealand Shareholder, you will be deemed to have represented to CAR that you are an Eligible Retail Shareholder and:

- acknowledge that you have read and understand this Information Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Information Booklet (including Section 5.6), and CAR's constitution;
- authorise CAR to register you as the holder(s) of New Shares allotted to you;
- declare that all details and statements in the personalised Entitlement and Acceptance Form are complete and accurate;
- warrant that you are in compliance with any restriction that applies to your shareholdings in CAR (including restrictions arising under legislation, the requirements of a regulatory authority or under CAR's constitution) and you will not cease to be in compliance with these restrictions (or any other applicable law or regulation) if you acquire New Shares allotted to you under the Entitlement Offer;
- declare you are over 18 years of age and have full legal capacity and power to perform all of your rights and obligations under the personalised Entitlement and Acceptance Form;
- acknowledge that once CAR receives your payment of Application Money via BPAY®, Electronic Funds Transfer or your personalised Entitlement and Acceptance Form you may not withdraw your Application or funds provided except as permitted by law;
- agree to apply for and be issued up to the number of New Shares for which you have submitted payment of any Application Money via BPAY®, Electronic Funds Transfer or have specified in the personalised Entitlement and Acceptance Form at the Offer Price per New Share;
- authorise CAR, the Underwriters, the Share Registry and their respective officers or agents to do anything on your behalf necessary for New Shares to be issued to you, including to act on instructions of the Share Registry and using the contact details set out in your personalised Entitlement and Acceptance Form;
- declare that you were the registered holder(s) at the Record Date of the Shares indicated on the personalised Entitlement and Acceptance Form as being held by you on the Record Date;
- acknowledge that the information contained in this Information Booklet and your personalised Entitlement and Acceptance Form is not investment advice nor a recommendation that the New Shares are suitable for you given your investment objectives, financial situation or particular needs;
- acknowledge that this Information Booklet is not a prospectus, does not contain all of the information that you may require in order to assess an investment in CAR and is given in the context of CAR's past and ongoing continuous disclosure announcements to ASX;
- acknowledge the statement of risks in the 'Key Risks' Section of the Investor Presentation contained in Section 3 of this Information Booklet, and that investments in CAR are subject to risk;
- acknowledge that neither CAR nor the Underwriters, nor their respective related bodies corporate and affiliates and their respective directors, officers, partners, employees, representatives, agents, consultants or advisers, guarantee the performance of CAR, nor do they guarantee the repayment of capital;
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and of your holding of Shares on the Record Date;
- authorise CAR to correct any errors in your personalised Entitlement and Acceptance Form or any other form provided by you;
- represent and warrant (for the benefit of CAR, the Underwriters and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Retail Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer; and
- represent and warrant that the law of any place does not prohibit you from being given this Information Booklet and the personalised Entitlement and Acceptance Form, nor does it prohibit you from making an Application for New Shares and that you are otherwise eligible to participate in the Retail Entitlement Offer.

By making a payment by BPAY®, Electronic Funds Transfer or completing and returning your personalised Entitlement and Acceptance Form, you will also be deemed to have acknowledged, represented and warranted on behalf of yourself and each person on whose account you are acting that:

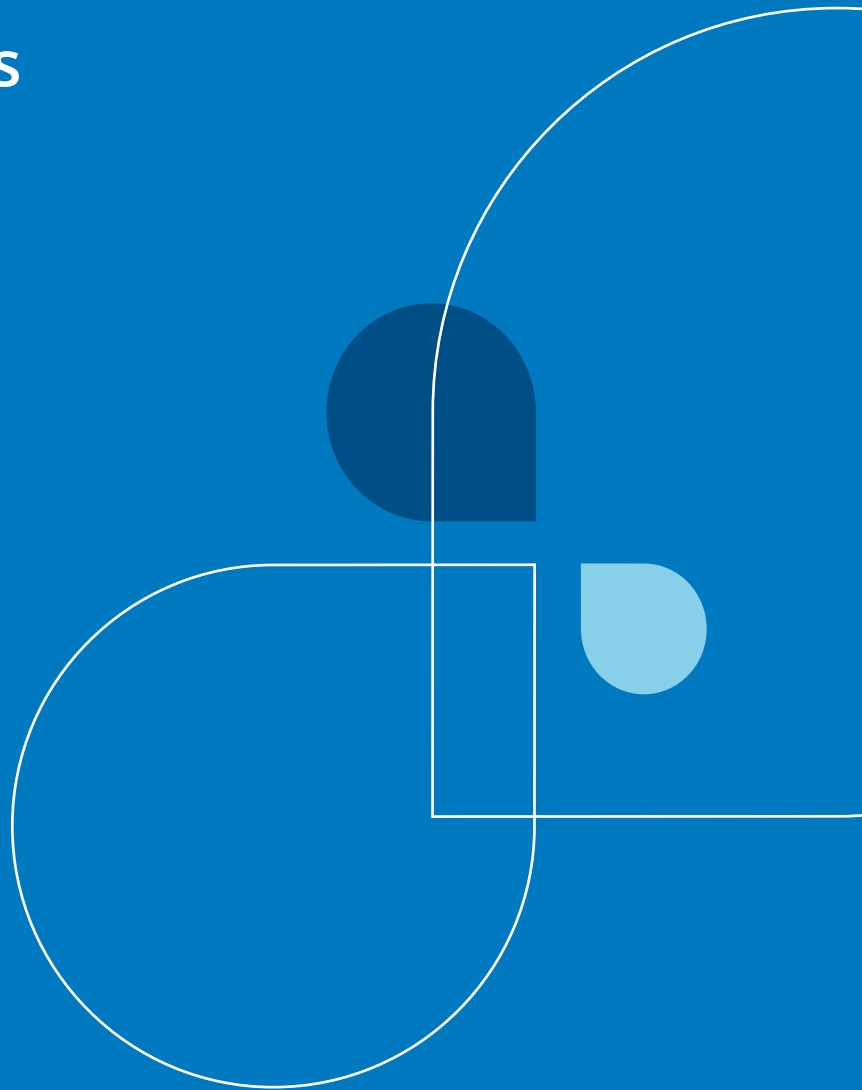
- you are not in the United States and you are not acting for the account or benefit of a person in the United States (or, in the event that you are acting for the account or benefit of a person in the United States, you are not participating in the Retail Entitlement Offer in respect of that person);
- you understand and acknowledge that the Entitlements and the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdiction in the United States and that, accordingly the Entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly to, a person in the United States, or to persons acting for the account or benefit of a person in the United States (to the extent such persons are acting for the account or benefit of a person in the United States);
- you are subscribing for or purchasing the Entitlements or the New Shares outside the United States in an “offshore transaction” (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- you have not and you will not download and send this Information Booklet, the Entitlement and Acceptance Form or any other materials relating to the Retail Entitlement Offer to any person in the United States or to any person (including nominees or custodians) acting for the account or benefit of a person in the United States, or to any other country outside Australia and New Zealand;
- if in the future you decide to sell or otherwise transfer the New Shares, you will only do so in transactions exempt from, or not subject to, the registration requirements of the US Securities Act, including in regular way transactions on ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States; and
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States and is not acting for the account or benefit of a person in the United States, and you have not downloaded and sent this Information Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person.

## 2.14 Enquiries

If you cannot access your personalised Entitlement and Acceptance Form, or have any questions about completing it, please contact the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) or visit the Entitlement Offer Website: [www.carsalesoffer.com.au](http://www.carsalesoffer.com.au). The Offer Information Line will be open from 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period. If you have any further questions, you should contact your professional adviser.

# 3

## ASX Announcements



## 3 ASX Announcements

### ASX & Media Release



#### NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

Monday, 27 June 2022

### **carsales to acquire remaining 51% of Trader Interactive, a leading US digital marketplace business, and launch a c.AUD\$1.207bn equity raising**

#### Key Highlights

- carsales has exercised its call option to acquire the remaining 51% interest in Trader Interactive for USD\$809m<sup>1</sup>, or approximately AUD\$1,172m<sup>2</sup> equivalent.
- The Acquisition Price values Trader Interactive on a 100% EV basis at USD\$1,897m, or approximately AUD\$2,749m<sup>2</sup> equivalent, representing an annualised Q4FY22<sup>3</sup> EV / adjusted EBITDA acquisition multiple of 21.3x<sup>4</sup>.
- The Acquisition is expected to generate highly attractive financial returns for shareholders, with low double-digit EPS<sup>4</sup> accretion expected in the first full year of ownership and further upside expected thereafter.
- carsales believes that the Acquisition presents a significant opportunity for carsales to grow in the large and attractive US non-automotive verticals market that is 16x the size of the Australian non-automotive market, with significant opportunity for further product and technology adoption and monetisation.
- Attractive financial profile of Trader Interactive with Adjusted Revenue<sup>5</sup> of USD\$125m and Adjusted EBITDA<sup>5</sup> of USD\$69m in FY21, supported by a strong business model with 84% recurring revenue<sup>6</sup> and strong customer retention rates. Trader Interactive has delivered double-digit revenue and earnings CAGR over the last five years.<sup>7</sup>
- Trader Interactive is a highly strategic fit with carsales' existing operations and its international growth strategy. carsales has a strong track record of delivering shareholder value through international expansion with highly successful businesses in Korea and Brazil.
- Under 100% ownership, carsales will focus on executing its long-term product and technology strategy for the Trader Interactive business, with significant upside expected to come from new product deployment and technology innovation.
- The Acquisition is expected to unlock significant growth opportunities.
- The Acquisition is to be funded via an approximately AUD\$1,207m fully underwritten 1 for 4.16 pro-rata accelerated non-renounceable entitlement offer.
- Upsizing of carsales debt facility from AUD\$900m to AUD\$1,400m to replace the existing AUD\$562m debt facility at Trader Interactive.
- The Acquisition remains subject to conditions, which are expected to be satisfied in late Q1 FY23.

1 Acquisition price calculated as 100% EV less net debt and other adjustments of US\$358m expected at completion, multiplied by 51% being the interest in Trader Interactive not owned by carsales and adjusted for payout of the management equity plan. The final Acquisition Price is subject to completion adjustments and may differ from the number reported in this announcement.

2 Assumes an AUD / USD exchange rate of 0.69.

3 Data has been derived from the Trader Interactive financials which have been prepared in accordance with US GAAP. Q4 FY22 annualised forecast prepared using the unaudited US GAAP results derived from TI for the period 1-Apr-22 – 30-Jun-22 and multiplying by 4. May not be representative of full year results.

4 Based on Adjusted EPS before amortisation of intangibles and one-off transaction costs. The impact of purchase price accounting has not been completed and which will impact future amortisation charges. In accordance with AASB 133, carsales' pre-transaction EPS has been restated based on an adjustment factor to take into account the New Shares to be issued in connection with the Entitlement Offer.

5 Adjusted Revenue, Adjusted EBITDA and Adjusted NPAT stated above are post non-controlling interests, new ventures, pro forma and other non-recurring or non-cash normalisations. Refer to slide 3-5 of the Investor Presentation provided to ASX today for disclosure of non-IFRS information and Reported to Adjusted reconciliation and slides 41-42 for Reported to Adjusted reconciliation. The basis of preparation of financial information included in this announcement is set out in further detail on slides 3-5 of the Investor Presentation provided to ASX today.

6 Revenue that is expected to continue in the future, are predictable, stable and can be counted on to occur at regular intervals going forward with a relatively high degree of certainty.

7 FY17-FY22 forecast Revenue and Adjusted EBITDA CAGR. Refer to slide 3 of the Investor Presentation provided to ASX today for information concerning forward looking statements in connection with the Acquisition and Appendix B of the Investor Presentation for a summary of general and specific risk factors associated with the Acquisition, the Entitlement Offer and investing in carsales.

## 3 ASX Announcements continued

### Group CEO of carsales, Cameron McIntyre, and CEO of Trader Interactive, Lori Stacy commented on the Acquisition:

*carsales Managing Director and CEO Cameron McIntyre says “During the course of the last 12 months we have become even more excited about the value of the Trader Interactive business and its growth potential. Culturally, there is strong alignment between the carsales and Trader Interactive teams and we are looking forward to working more closely together to unlock the significant potential in the business.*

*The Acquisition is a natural evolution of our international growth strategy into large, attractive markets. We have demonstrated an excellent track record of delivering strong shareholder value by diversifying in international markets. Moving to 100% ownership will enable shareholders to capture the significant upside potential in that business.*

*The Acquisition is expected to generate attractive financial returns for shareholders with low double-digit EPS accretion in year one.*

*Trader Interactive CEO, Lori Stacy says, “We have thoroughly enjoyed working with Cameron and the carsales team over the last twelve months and we can see how compatible we are from a culture and strategy perspective. Trader Interactive is a great business with a proud history and we are incredibly excited about the value that we can generate by leveraging carsales’ product and technology capability. This will enable us to increase the immense value we already provide for our customers. We are thrilled to join the carsales Group and look forward to a strong future together.”*

### Overview of the Acquisition

carsales.com Ltd (“carsales”, ASX:CAR) today announced that it has exercised its call option to acquire the remaining 51% interest in Trader Interactive (“Trader Interactive” or “TI”) that it does not already own (the “Acquisition”), for USD\$809m<sup>8</sup>, or approximately AUD\$1,172m<sup>9</sup> (“Acquisition Price”). Trader Interactive is a leading platform of branded marketplaces in the United States (“US”), providing digital marketing solutions and services across the recreational vehicle (“RV”), powersports, commercial truck and equipment industries.

The Acquisition values Trader Interactive on a 100% Enterprise Value (“EV”) basis at USD\$1,897m, or approximately AUD\$2,749m equivalent<sup>10</sup>, representing a Q4FY22<sup>11</sup> EV / Adjusted EBITDA acquisition multiple of 21.3x<sup>12</sup>.

The Acquisition together with the Entitlement Offer described below (“Transaction”) is expected to be Earnings per Share (“EPS”) positive immediately, with low double-digit EPS accretion in the first full year after completion of the Acquisition.

Completion of the Acquisition under the Securities Purchase Agreement will be subject to various conditions, which are expected to be satisfied by Q1FY23.<sup>13</sup>

### Overview of Trader Interactive

Founded in 2010 in Norfolk, Virginia, Trader Interactive is a leading, integrated platform of branded marketplaces in the US, providing digital marketing solutions and services across commercial truck, RV, powersports, and equipment industries. The business generated Adjusted Revenue<sup>14</sup> of USD\$125m and Adjusted EBITDA<sup>15</sup> of USD\$69m in FY21<sup>16</sup>. The business has a strong track record of delivering strong revenue

8 Refer to footnote 1.

9 Refer to footnote 2.

10 Refer to footnote 2.

11 Refer to footnote 3.

12 Refer to footnote 3.

13 The conditions include obtaining the necessary regulatory approval, no material adverse change occurring prior to completion and execution of the securities purchase agreement. Investors are referred to Appendix B of the Investor Presentation for a summary of general and specific risk factors associated with the Acquisition, the Entitlement Offer and investing in carsales.

14 Refer to footnote 5.

15 Refer to footnote 4.

16 Year ending 30 June 2021.

and earnings growth with Adjusted Revenue and Adjusted EBITDA CAGR of 11% and 14% respectively over the last five years<sup>17</sup>.

Trader Interactive offers marketplace services through dealer listings subscriptions, private party listings, brand advertising, listing enhancements, as well as offering software, dealer services and data insights to provide dealer and industry intelligence for customers. It has a diversified customer base of dealer and original equipment manufacturers (“OEMs”) with over 8,800 dealers and over 49 OEM relationships as at May 2022. Trader Interactive had approximately 1 million total listings in May 2022 and an average of over 22 million monthly visitors in 2021<sup>18</sup>. It has approximately 350 employees.

### Strategic Rationale for Acquisition

The Acquisition represents a strategically compelling transaction for carsales and its shareholders. The key strategic highlights include:

- Market leading positions in attractive US non-automotive verticals which are 16x as large as the Australian non-automotive market.
- Favourable structural trends through increasing participation in the RV and Powersports industries, combined with an increasing share of digital advertising spend.
- Well positioned potential to increase customer penetration and yield, which is low compared to carsales Australia.
- Significant future growth potential and expected synergies under 100% carsales ownership through enhanced product development and technology innovation.

### carsales FY22 Performance Update

carsales business continues to perform strongly, as evidenced by the following estimate of the carsales’ Group’s FY22 results. The estimated results demonstrate the continued strength of our Australian and international businesses. Domestic business performance in the first five calendar months following H1 FY22 reflects continued healthy levels of demand in the Australian automotive and non-automotive markets as well as increased adoption in key growth products. Our international businesses are delivering strong financial results.

All numbers referenced below in the carsales’ Group’s estimate of FY22 results are unaudited and will be subject to review as part of our year-end audit process. The result ranges are an estimate only to keep the market as well informed as possible.

AUD\$m	FY21 Actual	FY22 Estimate	Growth	FY22 Pro-forma <sup>19</sup>
Adjusted Revenue	438	507-509	16%	700-704
Adjusted EBITDA	254	270-272	6%-7%	379-383
Adjusted EBITDA Margin	58%	53%-54%	n/a	54%-55%
Adjusted NPAT	153	194-196	27%-28%	
Reported Revenue	427	506-508	19%	
Reported EBITDA	241	267-269	11%	
Reported NPAT	131	161-163	23%-25%	

<sup>17</sup> FY17-FY22 forecast Adjusted Revenue and Adjusted EBITDA CAGR. Refer to slide 3 of the Investor Presentation provided to ASX today for information concerning forward looking statements in connection with the Acquisition and Appendix B of the Investor Presentation for a summary of general and specific risk factors associated with the Acquisition, the Entitlement Offer and investing in carsales.

<sup>18</sup> Based on figures provided to the company by Trader Interactive as at December 2021.

<sup>19</sup> Refer to slide 3 of the Investor Presentation provided to ASX today for information concerning forward looking statements in connection with the Acquisition and Appendix B of the Investor Presentation for a summary of general and specific risk factors associated with the Acquisition, the Entitlement Offer and investing in carsales.

## 3 ASX Announcements continued

The estimated results demonstrate the continued strength of our Australian and international businesses. Domestic business performance in the first five calendar months reflects continued healthy levels of demand in the Australian automotive and non-automotive markets as well as increased adoption in key growth products. Our international businesses are delivering strong financial results.

### Acquisition Funding

The Acquisition Price will be funded by an AUD\$1,207m fully underwritten 1 for 4.16 ("**Offer Ratio**") pro-rata accelerated non-renounceable entitlement offer (the "**Entitlement Offer**").

carsales will concurrently be seeking to upsize its debt facilities from AUD\$900m to AUD\$1,400m to replace the existing AUD\$562m debt facility at Trader Interactive.

carsales is expected to maintain a strong balance sheet post Acquisition, with pro forma FY22 Net Debt / Adjusted EBITDA<sup>20</sup> of ~2.7x<sup>21</sup> which is expected to decrease to 2.0x within two years of acquisition.

### Equity Raising

carsales has today launched a fully underwritten Entitlement Offer, pursuant to which eligible institutional and retail shareholders will be entitled to subscribe for 1 new carsales share ("**New Share**") for every 4.16 shares held on the record date of 7:00pm (Melbourne Time) on Wednesday, 29 June 2022 ("**Record Date**"). Approximately 68 million new ordinary shares will be issued under the Entitlement Offer, equivalent to approximately 24% of current issued capital.<sup>22</sup>

The Entitlement Offer will be conducted at AUD\$17.75 per new share ("**Offer Price**"), which represents a:

- 14.5% discount to the last closing price of AUD\$20.76 on Friday, 24 June 2022; and
- 12% discount to the Theoretical Ex-Rights Price ("**TERP**")<sup>23</sup> of AUD\$20.18

New Shares issued under the Entitlement Offer will rank equally with existing fully paid shares from the date of issue and will be eligible to participate in any final dividend announced by carsales.

Eligible shareholders who do not take up their entitlement under the Entitlement Offer, in full or in part, will not receive any value in respect to those entitlements not taken up.

carsales shares will be in trading halt until completion of the Institutional Entitlement Offer.

### Institutional Entitlement Offer

The Institutional Entitlement Offer opens today and closes on Tuesday, 28 June 2022. Institutional Entitlements not taken up and those of ineligible institutional shareholders will be sold at the Offer Price.<sup>24</sup>

### Retail Entitlement Offer

Eligible retail shareholders in Australia and New Zealand will be invited to participate in the Retail Entitlement Offer at the same Offer Price and Offer Ratio as under the Institutional Entitlement Offer. The Retail Entitlement

<sup>20</sup> Refer to footnote 6

<sup>21</sup> Based on carsales' debt position as at 3 June 2022 including the pro-forma adjustments to reflect the impact of the Acquisition as outlined on slides 32-33 of the Investor Presentation provided to ASX today.

<sup>22</sup> Investors are referred to Appendix B of the Investor Presentation for a summary of general and specific risk factors associated with the Acquisition, the Entitlement Offer and investing in carsales.

<sup>23</sup> The TERP is the theoretical price at which carsales shares should trade immediately following the ex-date for the Entitlement Offer. TERP is calculated by reference to carsales' closing price of \$20.76 on Friday 24 June 2022, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which carsales shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP.

<sup>24</sup> carsales has determined to extend the institutional Entitlement Offer to institutional shareholders registered in Australia, Canada (British Columbia, Ontario and Quebec provinces only), European Union (Denmark, France, Luxembourg and the Netherlands), Hong Kong, Japan, New Zealand, Norway, Singapore, Switzerland, United Arab Emirates (excluding financial zones), United Kingdom and United States subject to the 'International Offer Restrictions' set out in Appendix C of the Investor Presentation lodged with ASX today.

Offer will open at 9:00am (Melbourne time) on Friday, 1 July 2022 and close at 5:00pm (Melbourne time) on Wednesday, 13 July 2022.

Eligible retail shareholders under the Retail Entitlement Offer may:

- elect to take up all or part of their pro rata entitlements prior to 5.00pm (Melbourne time) on Wednesday, 13 July 2022; or
- do nothing and let their pro rata entitlements lapse.

Eligible retail shareholders should read the Retail Entitlement Offer Booklet which contains full information on the Retail Entitlement Offer and application process.

Shareholders in the United States are not eligible to participate in the Retail Entitlement Offer. Similarly, shareholders (including custodians and nominees) who hold Shares on behalf of persons in the United States or are acting for the account or benefit of persons in the United States, are not eligible to participate in the Retail Entitlement Offer on behalf of those persons.

## Investor Call

carsales will hold a call at 11:00am Melbourne time today to discuss the Transaction.

Attendees will need to pre-register using the following link: <https://s1.c-conf.com/diamondpass/10023140-x6yngr.html>

For further information please contact:

*Kane Hocking*  
*Investor Relations Officer*  
+61 411 650 923  
[kane.hocking@carsales.com.au](mailto:kane.hocking@carsales.com.au)

## Timetable

Event	T+	Date
Trading halt and announcement of Entitlement Offer	0	Monday, 27-Jun-22
Institutional Entitlement Offer opens	0	Monday, 27-Jun-22
Institutional Entitlement Offer closes	1	Tuesday, 28-Jun-22
Announcement of results of Institutional Entitlement Offer	2	Wednesday, 29-Jun-22
Trading halt lifted and CAR shares recommence trading	2	Wednesday, 29-Jun-22
Retail Entitlement Offer Record Date	2	7:00pm on Wednesday, 29-Jun-22
Retail Entitlement Offer opens and Retail Offer Booklet made available	4	Friday, 01-Jul-22
Settlement of New Shares issued under the Institutional Entitlement Offer	6	Tuesday, 05-Jul-22
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	7	Wednesday, 06-Jul-22
Retail Entitlement Offer closes	12	5:00pm on Wednesday, 13-Jul-22
Announcement of results of Retail Entitlement Offer	14	Friday, 15-Jul-22



## 3 ASX Announcements continued

Settlement of New Shares issued under the Retail Entitlement Offer	16	Tuesday, 19-Jul-22
Allotment of New Shares issued under the Retail Entitlement Offer	17	Wednesday, 20-Jul-22
Normal trading of New Shares issued under the Retail Entitlement Offer	18	Thursday, 21-Jul-22
Holding statements in respect of New Shares issued under the Retail Entitlement Offer are dispatched	18	Thursday, 21-Jul-22

### Additional Information

Further details of the Acquisition and Entitlement Offer are set out in the accompanying Investor Presentation provided to the ASX today.

Capitalised terms not otherwise defined in this Announcement have the same meaning given to them in the Investor Presentation.

**- ENDS -**

*Release authorised by the carsales.com Ltd Board*

*For media inquiries, please contact:*

*Cameron McIntyre*

*Managing Director and CEO*

*+61 3 9093 8667*

*[cameron.mcintyre@carsales.com.au](mailto:cameron.mcintyre@carsales.com.au)*

*For shareholder inquiries, please contact:*

*William Elliott*

*CFO*

*+61 3 9093 4672*

*[william.elliott@carsales.com.au](mailto:william.elliott@carsales.com.au)*

### About carsales.com Ltd

carsales.com Ltd (ASX: CAR) is the largest online automotive, motorcycle and marine classifieds business in Australia. Attracting more Australians interested in buying or selling cars, motorcycles, trucks, caravans and boats than any other classified group of websites. Together with its subsidiaries employing more than 670 people in Australia, carsales.com Ltd develops world leading technology and advertising solutions that drive its business around the world. The carsales.com Ltd network has operations across the Asia Pacific region and has interests in leading classified businesses in South Korea, the United States, Brazil, Mexico and Chile.

### IMPORTANCE NOTICE

#### Forward looking statements

This announcement contains forward looking statements and comments about future events, which reflect carsales' intent, belief or expectation as at the date of this announcement. Such forward based on the information available to carsales as at the date of this announcement and should not be relied on as an indication, representation or guarantee of future performance. Looking statements may include forecast financial and operating information about carsales and Trader Interactive, their projects and strategies and statements about the industries, locations in which they operate as well as statements about carsales and Trader Interactive following completion of the Acquisition. Forward looking statements can be identified by forward-looking terminology including, without limitation, "expect", "anticipate", "likely", "intend", "should", "could", "may", "predict", "plan", "propose", "will", "believe", "forecast", "estimate", "target", "due to" and other similar expressions within the

meaning of securities laws of applicable jurisdictions. Indications of, and guidance or outlook on, future earnings or financial position or performance are also forward-looking statements. Forward looking statements involve inherent known and unknown risks, uncertainties and contingencies, both general and specific, many of which are beyond carsales' control, and there is a risk that such predictions, forecasts, projections and other forward-looking statements will not be achieved. Actual results may be materially different from those expressed or implied in forward-looking statements and any projections and assumptions upon which these statements are based. Forward looking statements are provided as a general guide only.

You are strongly cautioned not to place undue reliance on forward-looking statements, particularly in light of the current economic climate and the significant volatility, uncertainty and disruption caused by the ongoing impact of COVID-19, as well as the military conflict in Ukraine and its impact on global fuel prices, and the impact of these events on global supply chains and economic conditions. To the maximum extent permitted by law, carsales, the Underwriters and each of their respective affiliates and related bodies corporate, and each of their respective directors, officers, partners, employees and agents ("**Extended Parties**") disclaim any responsibility for the accuracy or completeness of any forward-looking statements whether as a result of new information, future events or results or otherwise. To the maximum extent permitted by law, each of carsales and the Underwriters and their respective Extended Parties disclaim any responsibility to update or revise any forward-looking statement to reflect any change in carsales' financial condition, status or affairs or any change in the events, conditions or circumstances on which a statement is based, except as required by Australian law.

### **Financial Information**

Investors should note that this announcement contains pro forma and forecast financial information in relation to Trader Interactive following the Acquisition and the Entitlement Offer. The pro forma financial information has been prepared on the basis explained in slides 32-33 of the Investor Presentation filed with ASX today and includes certain pro forma adjustments as described therein. The forecast financial information has been prepared on the basis set out on slide 8 (4Q FY22 Annualised) and slide 35 for carsales FY22 estimate. Pro forma adjustment refers to hypothetical amounts adjusted to present financials on a consistent basis for a period and normalisation adjustment refers to non-operating, non-recurring items and new ventures non-cash items. The pro forma financial and other information relating to the impact of the acquisition of Trader Interactive and Entitlement Offer has been prepared by carsales in reliance on information that was provided to carsales by Trader Interactive in connection with the Acquisition. The pro forma financial information has been subject to review in accordance with the Australian Accounting Standards. The pro forma and forecast financial information included in this announcement is for illustrative purposes only and is not represented as being indicative of carsales views on, nor anyone else's, future financial position and/or performance or any scale benefits, synergies or opportunities that may be realised as a result of the Acquisition. In addition, the pro forma financial information in this announcement does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

Investors should also be aware that throughout this announcement, carsales has included certain financial information that are "non-GAAP financial measures" within the meaning of Regulation G of the US Securities Exchange Act of 1934, as amended, and "non-IFRS financial information" under ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information). carsales believes that these non-IFRS/non-GAAP financial and operating measures provide useful information to recipients for measuring the underlying operating performance of carsales' business. Non-IFRS/non-GAAP measures have not been subject to audit. The disclosure of such non-IFRS/non-GAAP financial measures in the manner included in the announcement may not be permissible in a registration statement under the US Securities Act. These non-IFRS /non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with IFRS. Although carsales believes that these non-IFRS /non-GAAP financial measures provide useful information to users in measuring the financial position of its business, investors are cautioned not to place undue reliance on any non-IFRS /non-GAAP financial measures included in this announcement.

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### 3 ASX Announcements continued

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended ("**US Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.



carsales.com Ltd

# 51% Acquisition of Trader Interactive and Equity Raising

27 June 2022

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This presentation ("Presentation") is dated 27 June 2022 and has been prepared by, and is the sole responsibility of, carsales.com Limited ACN 074 444 018 ("carsales") (ASX: CAR). This Presentation has been prepared in connection with carsales' proposed pro-rata accelerated non-renounceable entitlement offer ("Entitlement Offer") to fund its acquisition of the remaining 51% interest in Trader Interactive LLC ("Trader Interactive") ("Acquisition").

The consummation of the Acquisition, or any transaction, will be also subject to various risks and contingencies. There can be no assurance that the Acquisition, or any transaction, will be consummated.

The Entitlement Offer comprises:

- an offer of new fully paid ordinary shares in carsales ("New Shares") to eligible institutional shareholders ("Institutional Entitlement Offer") with an associated bookbuild offer ("Institutional Bookbuild"); and
- an offer of New Shares to eligible retail shareholders ("Retail Entitlement Offer"), in accordance with section 708AA of the Corporations Act 2001 (Cth) ("Corporations Act") as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73.

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**Past performance:** Past performance (including past performance of carsales' share price and of Trader Interactive) is given for illustrative purposes only and should not be relied upon as (and is not) an indication or guarantee of carsales' or Trader Interactive's future performance or condition. Certain historical information in this Presentation is, or is based upon, information contained in previous announcements made by carsales to the market, which are available at [www.asx.com.au](http://www.asx.com.au). carsales prepares its financial statements in accordance with Australian Accounting Standards, which conform to International Financial Reporting Standards ("**IFRS**") and Trader Interactive financials were prepared in accordance with US GAAP principles. As at the date of this presentation quantified differences between US GAAP and IFRS is not material.

**Non-IFRS/non-GAAP measures:** Investors should be aware that throughout this Presentation, carsales has included certain financial information that are "non-GAAP financial measures" within the meaning of Regulation G of the US Securities Exchange Act of 1934, as amended, and "non-IFRS financial information" under ASIC Regulatory Guide 230 (Disclosing non-IFRS financial information). This presentation includes certain non-IFRS measures including "Adjusted", "pro forma" and "look-through", carsales believes that these non-IFRS/non-GAAP financial and operating measures provide useful information to recipients for measuring the underlying operating performance of carsales' business. Non-IFRS/non-GAAP measures have not been subject to audit. The disclosure of such non-IFRS/non-GAAP financial measures in the manner included in the Presentation may not be permissible in a registration statement under the US Securities Act. These non-IFRS /non-GAAP financial measures do not have a standardised meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other entities and should not be construed as an alternative to other financial measures determined in accordance with IFRS. Although carsales believes that these non-IFRS /non-GAAP financial measures provide useful information to users in measuring the financial position of its business, investors are cautioned not to place undue reliance on any non-IFRS /non-GAAP financial measures included in this Presentation.

**Pro forma financial information:** This Presentation also includes pro forma and forecast financial information in relation to Trader Interactive following the Acquisition and the Entitlement Offer. The pro forma financial information has been prepared on the basis set out on slides 32-33 of the presentation filed with ASX today and includes certain pro forma adjustments as described therein. The forecast financial information has been prepared on the basis set out on slide 8 (4Q FY22 Annualized) and slide 35 for carsales FY22 estimate. Pro forma adjustment refers to hypothetical amounts adjusted to present financials on a consistent basis for a period and normalisation adjustment refers to non-operating, non-recurring items and new ventures non-cash items. The pro forma financial and other information relating to the impact of the acquisition of Trader Interactive and Entitlement Offer has been prepared by carsales in reliance on information that was provided to carsales by Trader Interactive in connection with the Acquisition. The pro forma financial information has been subject to review in accordance with the Australian Accounting Standards. The pro forma and forecast financial information included in this Presentation is for illustrative purposes only and is not represented as being indicative of carsales views on, nor any other else's, future financial position and/or performance or any scale benefits, synergies or opportunities that may be realised as a result of the acquisition. In addition, the pro forma financial information in this Presentation does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission.

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**Information relating to Trader Interactive:** Information relating to Trader Interactive, including certain financial information, has been extracted from its audited financial statements for the year ended December 31, 2021, which were prepared in accordance with US GAAP principles, which may differ from the IFRS and carsales' accounting policies. As at the date of this Presentation quantified differences between US GAAP and IFRS are not considered material. Certain information in this Presentation has been sourced from Trader Interactive or its representatives or associates. While steps have been taken to confirm that information, no representation or warranty, expressed or implied, is made as to its fairness, accuracy, completeness, reliability or adequacy. carsales undertook a due diligence process as part of the Acquisition, which relied in part on the review of financial, technical, operational and other information provided by Trader Interactive. Despite making reasonable efforts, carsales has not been able to verify the accuracy, reliability or completeness of all the information which was provided to it. If any such information provided to, and relied upon by, carsales in its due diligence and in its preparation of this Presentation proves to be incorrect, incomplete or misleading, there is a risk that the actual financial position and performance of Trader Interactive (and the financial position of carsales following the Acquisition) may be materially different to the expectations reflected in this Presentation. Investors should also note that there is no assurance that the due diligence conducted was conclusive, and that all material issues and risks in respect of the Acquisition have been identified or managed appropriately. Therefore, there is a risk that issues may arise which also have a material impact on carsales (for example, carsales may later discover liabilities or defects which were not identified through due diligence or for which there is no contractual protection for carsales). This could also affect the operations, financial performance and/or financial position of carsales.

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You acknowledge and agree that determination of eligibility of investors for the purposes of the Entitlement Offer is determined by reference to a number of matters, including legal and regulatory requirements, logistical and registry constraints and the discretion of carsales and the Underwriters. To the maximum extent permitted by law, carsales and the Underwriter Group disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion. carsales reserves the right to withdraw the Entitlement Offer or vary the timetable for the Entitlement Offer without notice (in the latter case, subject to the Underwriters' prior written consent).

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In connection with the Institutional Bookbuild, one or more institutional investors may elect to acquire an economic interest in the New Shares (**Economic Interest**), instead of subscribing for or acquiring the legal or beneficial interest in those securities. Each Underwriter (or its affiliates) may, for its own account, write derivative transactions with those investors relating to the New Shares to provide the Economic Interest, or otherwise acquire New Shares in carsales in connection with the writing of those derivative transactions in the Institutional Bookbuild and/or the secondary market. As a result of those transactions, each Underwriter (or its affiliates) may be allocated, subscribe for or acquire New Shares or securities of carsales in the Institutional Bookbuild and/or the secondary market, including to hedge those derivative transactions, as well as hold long or short positions in those securities. These transactions may, together with other securities in carsales acquired by an Underwriter or its affiliates in connection with their ordinary course sales and trading, principal investing and other activities, result in an underwriter or its affiliates disclosing a substantial holding and earning fees.

Goldman Sachs Australia Pty Ltd ("**GSA**") and/or its affiliates ("**Goldman Sachs**") is acting as a joint lead manager, bookrunner and underwriter to the Entitlement Offer (together with the other Underwriters) to partially fund the Acquisition and will receive underwriting and other fees, as well as the reimbursement of expenses, for acting in that capacity. In addition, West Street Capital Partners VII, a fund managed by the Goldman Sachs Asset Management Division ("**Goldman Sachs Fund**") (which is an affiliate of GSA) is a seller of part of the remaining interests in Trader Interactive to be acquired by carsales (and the Goldman Sachs Fund and/or an affiliate will receive part of the sale consideration). Goldman Sachs is acting as joint arranger, bookrunner and underwriter to a debt facility to carsales to partially fund the Acquisition. Goldman Sachs & Co. LLC ("**GS&Co**") (which is also an affiliate of GSA) is acting as financial adviser to Trader Interactive in relation to the Acquisition. Goldman Sachs, including, without limitation, GS&Co, may receive fees, earn interest and mark profits as well as benefit from indemnification and recover expenses in connection with acting in these capacities.


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**Rounding and currency:** Certain figures, percentages, estimates, calculations of value and fractions provided in this Presentation are subject to the effect of rounding. Accordingly, the actual calculation of these figures may differ from the figures set out in the Presentation. All financial amounts contained in this Presentation are expressed in Australian currency, unless otherwise stated.



# Table of Contents

Title	Pages
Transaction Summary	7 – 10
Strategic Rationale of Acquisition	11 – 22
Trader Interactive Overview	23 – 29
Acquisition Terms, Funding And Financial Impact	30 – 33
Trading Update	34 – 36
Equity Raising	37 – 39
Appendices	40 – 65



carsales  com ltd  
Transaction  
Summary

# Transaction Summary

<p><b>Transaction Details</b></p>	<ul style="list-style-type: none"> <li>carsales has exercised its call option to acquire the remaining 51% of Trader Interactive (“<b>Trader Interactive</b>” or “<b>TI</b>”), (“<b>Acquisition</b>”), for USD\$809 million<sup>1</sup>, or approximately AUD\$1,172 million equivalent<sup>2</sup> (“<b>Acquisition Price</b>”)</li> <li>The Acquisition Price values Trader Interactive on an 100% Enterprise Value (“<b>EV</b>”) equivalent basis at USD\$1,897 million, or approximately AUD\$2,749 million equivalent<sup>2</sup>, representing a Q4 FY22 annualised EBITDA multiple of 21.3x<sup>3</sup></li> </ul>
<p><b>Overview of Trader Interactive</b></p>	<ul style="list-style-type: none"> <li>Trader Interactive is a leading platform of branded marketplaces in the United States (“<b>US</b>”) providing digital marketing solutions and services across recreational vehicle (“<b>RV</b>”), powersports, commercial truck and equipment industries</li> <li>TI has a strong financial profile with forecast Q4 FY22 annualised Revenue of USD\$151 million and Adjusted EBITDA of USD\$89 million. TI has delivered double-digit revenue and earnings growth over the last five years<sup>4</sup></li> </ul>
<p><b>Acquisition Funding</b></p>	<ul style="list-style-type: none"> <li>To be funded via an AUD\$1,207 million accelerated non-renounceable entitlement offer (“<b>Entitlement Offer</b>” or “<b>Equity Raising</b>” and, together with the Acquisition, the “<b>Transaction</b>”)</li> <li>New Shares issued under the Entitlement Offer will participate in the FY22 final dividend</li> <li>carsales is expected to maintain a strong balance sheet post completion of the Acquisition, with pro forma FY22 Net Debt / EBITDA of ~2.7x for the combined business assuming Acquisition occurred on 30 June 2022. Net Debt / EBITDA is expected to reduce to under 2.0x within the next two years</li> <li>All carsales’ Directors are participating in the Entitlement Offer<sup>5</sup></li> </ul>

(1) Acquisition price calculated as 100% EV less net debt and other adjustments of US\$356 million expected at completion, multiplied by 51% being the interest in Trader Interactive not owned by carsales and adjusted for payout of the Management Equity Plan (MEP). The final Acquisition Price is subject to completion adjustments and may differ from the number reported in this announcement. (2) Assumes an AUD / USD exchange rate of 0.69. (3) Data has been extracted from the Trader Interactive reviewed financials for FY22 which were prepared in accordance with US GAAP and have a December year-end. US GAAP differs from IFRS and reconciliations have not been provided. The basis of preparation of financial information included in this presentation is set out in further detail on slide 3-5. (4) FY22 annualised forecast prepared using the unaudited results for the period 1-Apr-22 – 30-Jun-22. Adjusted EBITDA of USD\$89million for TI, which includes certain pro forma and other normalisation adjustments described on slides 32-33. (5) FY17-FY22 forecast Revenue and Adjusted EBITDA CAGR (5) For either full or part of their entitlements under the Entitlement Offer.

# Transaction Summary (cont.)

<p><b>Financial Impact</b></p>	<ul style="list-style-type: none"> <li>carsales will report the results of TI on a consolidated basis post completion of the Acquisition in H1 FY23. Pro forma FY22<sup>1</sup> Revenue and EBITDA for the combined business is expected to be between AUD\$700-704 million and AUD\$379-383 million respectively<sup>2</sup> assuming Acquisition occurred on 1 July 2021</li> <li>The Transaction is expected to be low double-digit Earnings Per Share (“EPS”) accretive in the first full year after completion<sup>3</sup></li> <li>carsales to retain its existing dividend policy which is an 80% payout ratio of Adjusted net profit after tax</li> </ul>
<p><b>Growth Opportunities</b></p>	<ul style="list-style-type: none"> <li>Highly strategic transaction with growth opportunities to be unlocked from transitioning to 100% carsales ownership<sup>4</sup></li> <li>Large opportunity for carsales to add value through deployment of new products, technology platforms and strategic insights</li> <li>carsales has an excellent track record of delivering value through global acquisitions and building scale in large and fast-growing international markets</li> </ul>
<p><b>Acquisition Conditions</b></p>	<ul style="list-style-type: none"> <li>The Acquisition is subject to various conditions, including obtaining the necessary regulatory approval, no material adverse change occurring prior to completion and execution of the securities purchase agreement</li> </ul>
<p><b>Trading Update and Outlook</b></p>	<ul style="list-style-type: none"> <li>Given proximity to the financial year end, carsales provides an update on its FY22 performance and has provided estimated results for FY22. The estimated results reflect the continued strength of the Australian and international businesses. Refer to slide 36 for details</li> </ul>
<p><b>Key Risks</b></p>	<ul style="list-style-type: none"> <li>Refer to Appendix B of this Presentation for a summary of general and specific risk factors associated with the Acquisition, the Entitlement Offer and investing in carsales</li> </ul>

(1) Refer to slide 35 for basis of preparation. (2) Investors are referred to the ‘Key risks’ in Appendix B of this Presentation (including, without limitation, the risks in section 12 (Anticipated synergies and integration) and section 3 (Future earnings risk) and the Disclaimers in this Presentation, in particular to the paragraph titled ‘Cautionary Statement Regarding Forward-Looking Statements’, in relation to the risks and uncertainties associated with the targeted potential synergies and other forward looking statements in connection with the Acquisition. The prospective financial information included in this slide, is predictive in character, may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved. (3) Based on Adjusted EPS before amortisation of intangibles and one-off transaction costs. The impact of purchase price accounting has not been completed and which will impact future amortisation charges. In accordance with AASB 133, carsales’ pre-transaction EPS has been restated based on an adjustment factor to take into account the New Shares to be issued in connection with the Entitlement Offer. (4) Refer to slides 12-13 for details.

# Compelling Investment Opportunity

We have strong conviction on the growth opportunity that TI represents following a highly successful first 12 months

## Key observations in the last 12 months

- High quality management team with strong cultural alignment
- Strong conviction on the quality of the asset and the near-term growth opportunity for TI
- Greater insight that material growth opportunities can be unlocked under 100% ownership<sup>1</sup>
- Significant growth in RV and Powersports inventory with material financial upside expected to come as truck market rebounds
- Confidence in the resilience of the business through economic cycles

## Investment rationale: why now?

- Given strong near-term growth expectations, acquiring the business now is expected to be highly EPS accretive for carsales shareholders
- carsales' influence on product and technology roadmap is unconstrained in a 100% ownership scenario
- Ensure that carsales shareholders receive the full benefit of growth opportunities we are helping to deliver
- Ownership by a strategic investor focused on long term value creation will help ensure talent attraction and retention



carsales  com ltd

# Strategic Rationale of Acquisition

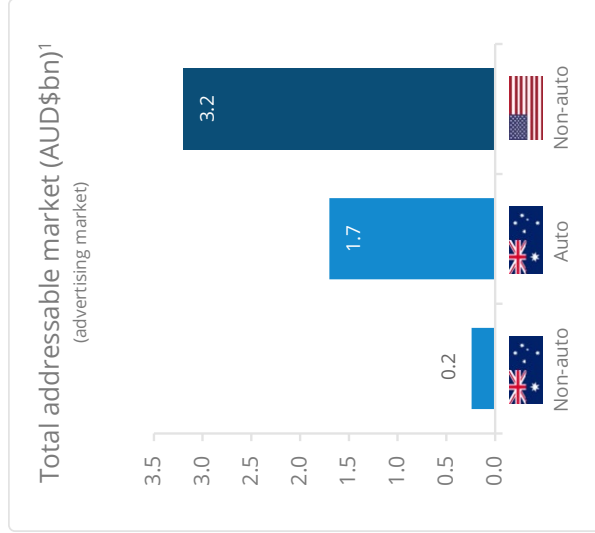
# Strategic, Highly Accretive Acquisition

Acquisition expected to deliver low double-digit EPS accretion in the first full year after completion<sup>1</sup>

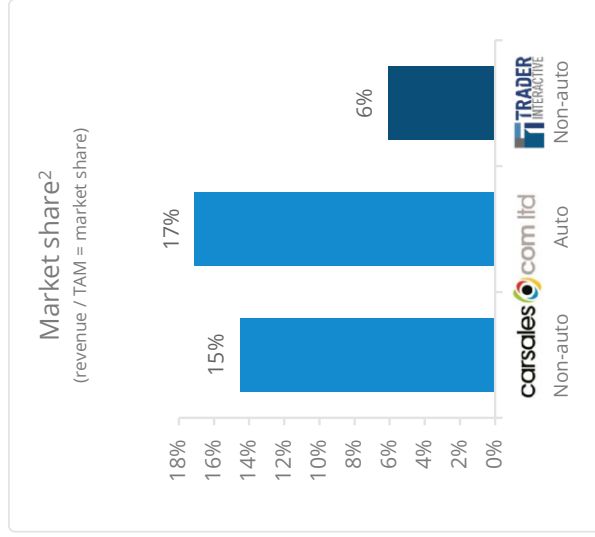
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# 1 TI Has Market-leading Positions In Large, Attractive US Non-auto Industries

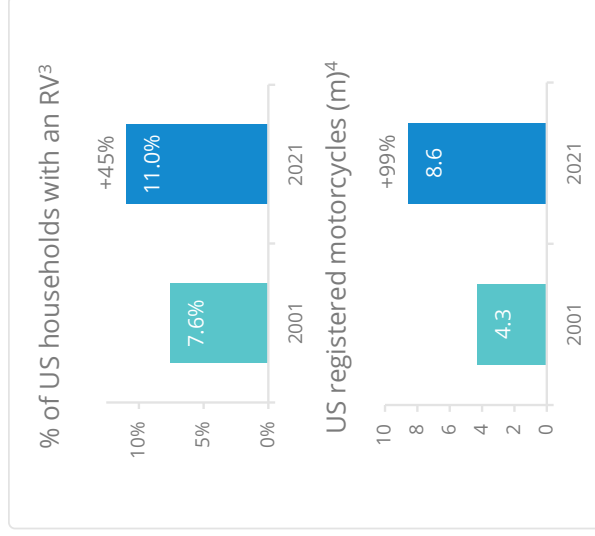
TI operates in a very large US market



Where market share is low relative to carsales Australia



Benefiting from rising industry participation



The size of US non-auto advertising markets is large and growing<sup>1</sup>

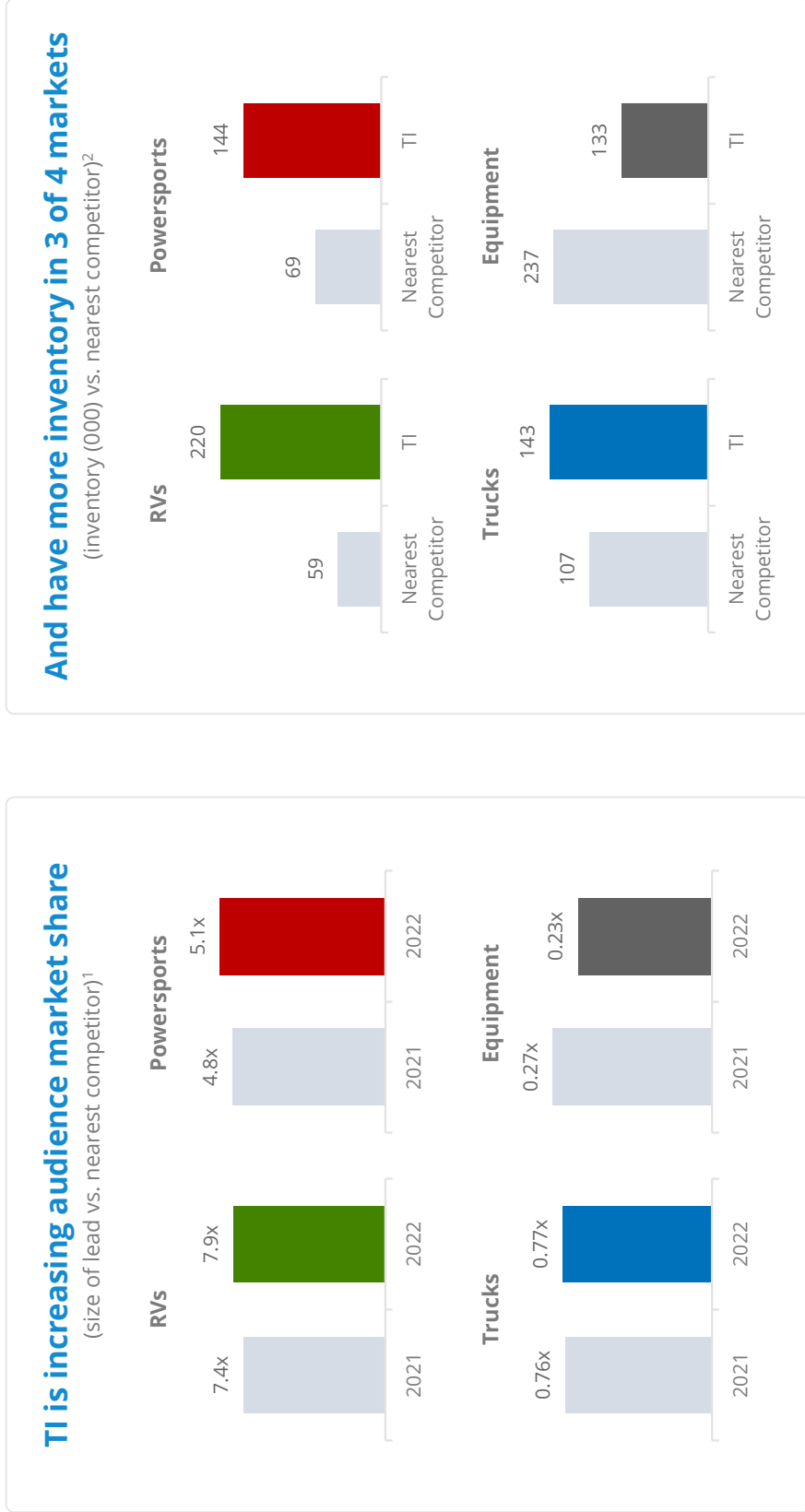
Achieved good double-digit revenue growth with considerable future monetisation upside compared to Australian market share

Consumer trend to lifestyle and recreational assets further increases attractiveness of consumer verticals



# 1 TI Has Market-leading Positions In Large, Attractive US Non-auto Industries (cont.)

TI is growing market leadership positions in recreational and closing the gap in commercial trucks



(1) Similarweb visits for all brands noted in each industry under 'Business Summary on slide 24 vs. nearest competitor. Powersports visits shown for CycleTrader.com + ATVTrader.com v nearest competitor. Jan-21 vs. Jan-22.  
(2) Total inventory for key brand website vs. nearest competitor as at 20-Jun-22.

## 2 TI's Strong Business Model Delivering Excellent Financial Performance

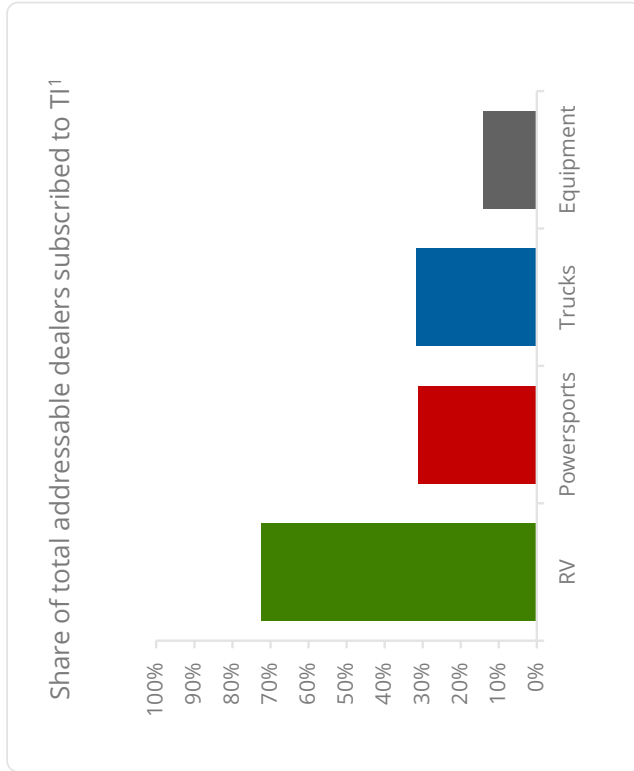
TI is heading into next year with excellent momentum



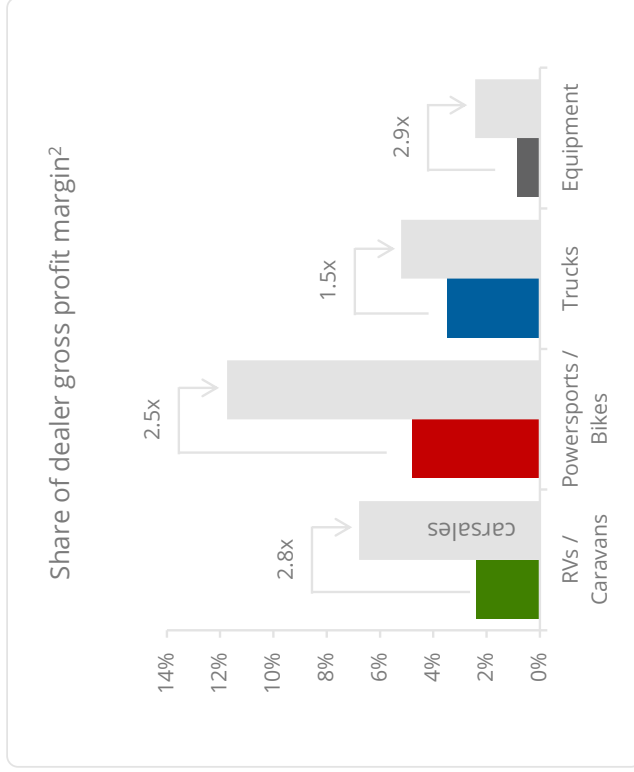
TI has executed on a price rise in March and April of 2022 with minimal churn which we expect will benefit our FY23 financial performance, and has added to dealer volumes in RVs, Powersports and Equipment

# 3 Significant Future Growth Opportunities

## Substantial dealer penetration upside



## TI fees as a % of unit gross margin are low

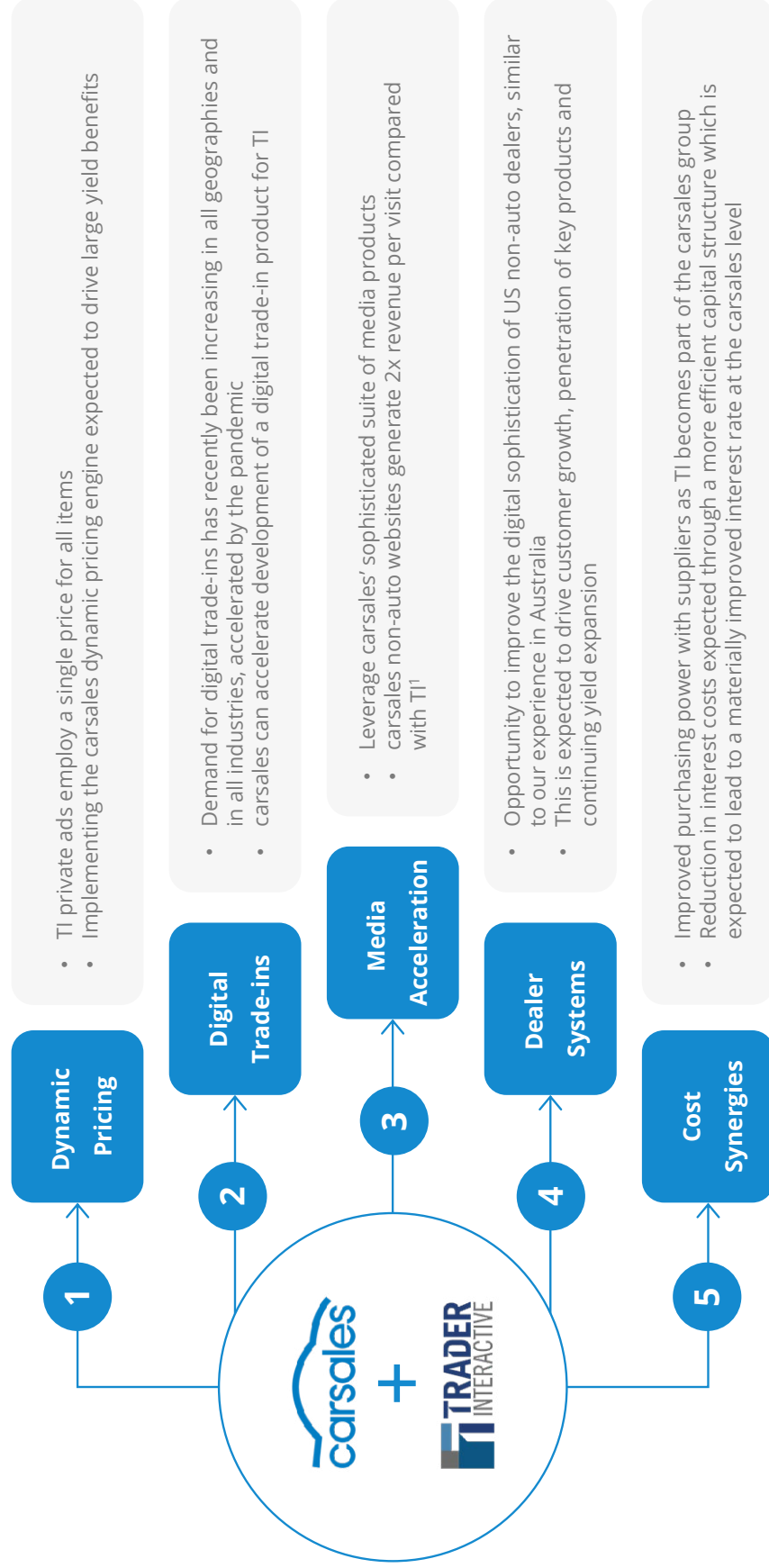


Increasing digital maturity and strategic input from carsales to drive increased dealer penetration in TI's markets

Large opportunity to grow dealer yield as TI continues to enhance its value proposition

### 3 Significant Future Growth Opportunities (cont.)

100% ownership expected to unlock significant new growth opportunities

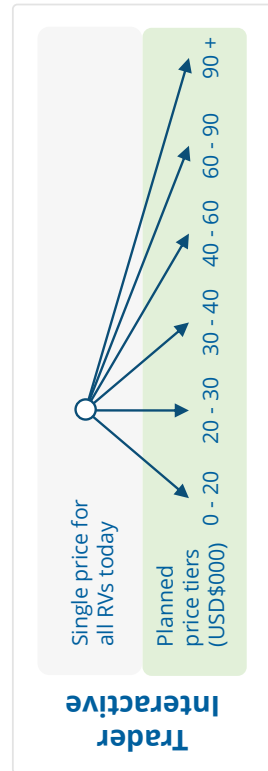
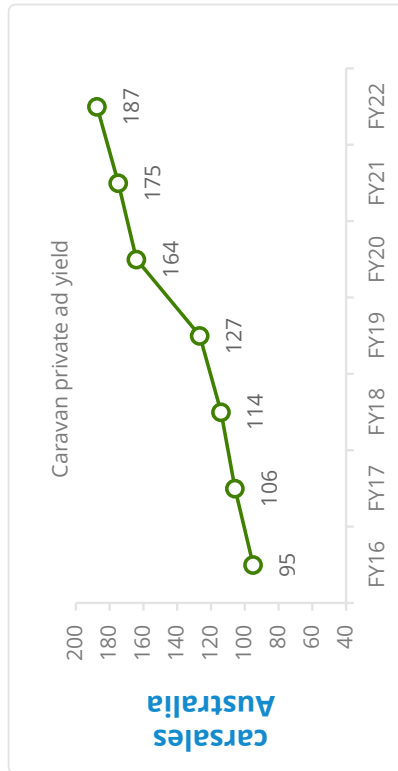


# Growth Initiatives

## Growth Initiative 1: Dynamic Pricing

### Implement dynamic pricing on TI private ads

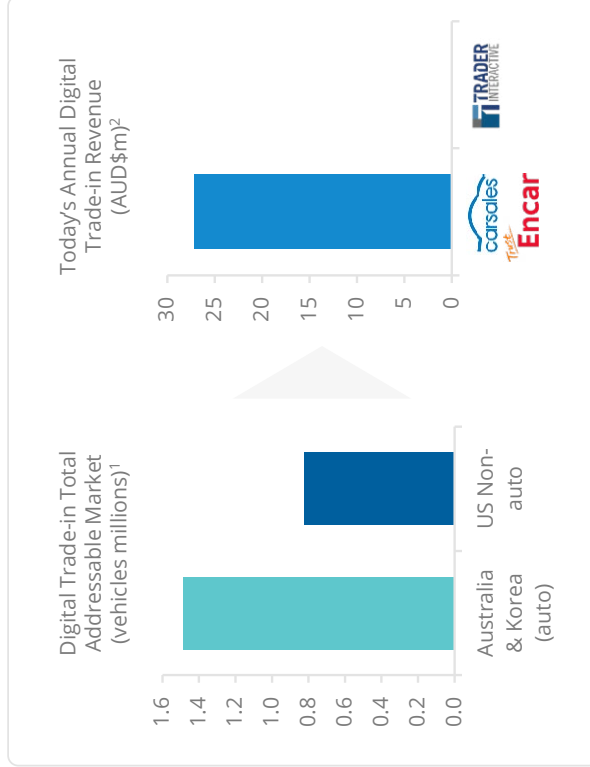
- TI have a single price for all RVs
- By creating pricing tiers, TI can extract more value on ads
- This should drive upside similar to our experience in Australia



## Growth Initiative 2: Digital Trade-ins

### Deploy a digital trade-in product

- The US non-auto addressable market for digital trade-ins is large with few incumbent players
- carsales has established itself as a leading player in the digital trade-in market in Australia and South Korea over the last five years
- Deploying the carsales pricing engine expected to help TI to expedite monetisation of this product in the US



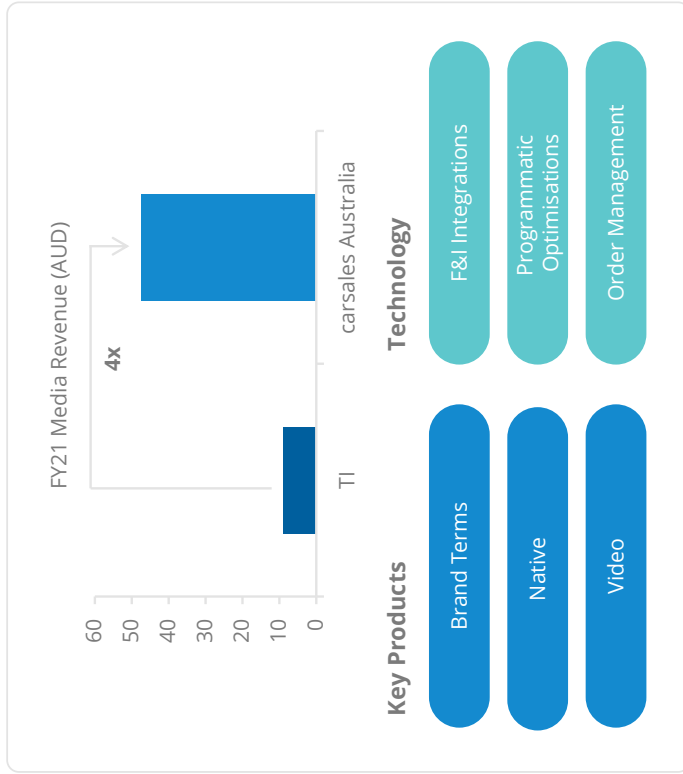
(1) carsales management estimates. Addressable market determined as a % of the private-to-private seller and trade-in markets for Australian and Korean automotive, US RV, Powersports and Trucks. (2) carsales Instant Offer and Encar Dealer Direct May-22 revenue multiplied by 12.

# Growth Initiatives (cont.)

## Growth Initiative 3: Media Acceleration

### Deploy key media products into TI platforms

- There is opportunity to expand TI's media product offering and go to market approach
- This should result in a material uplift in monetisation based on our experience in Australia



## Growth Initiative 4: Dealer Systems

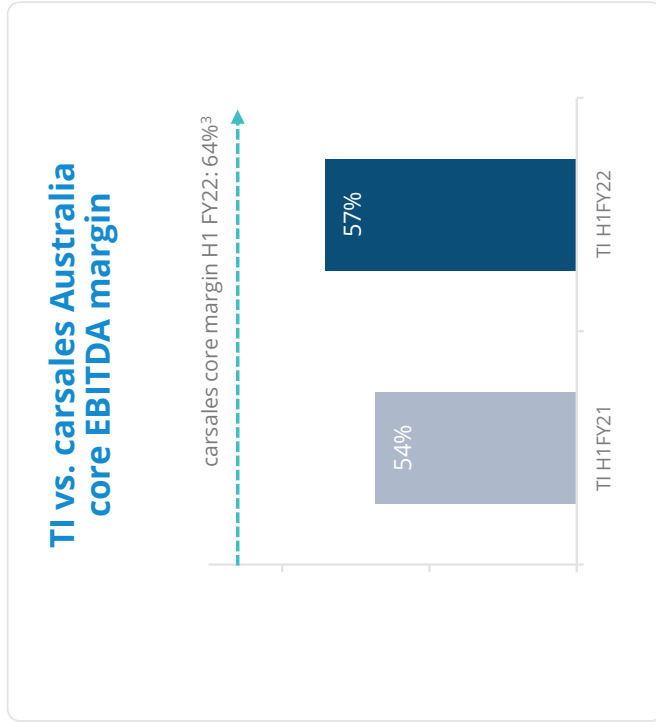
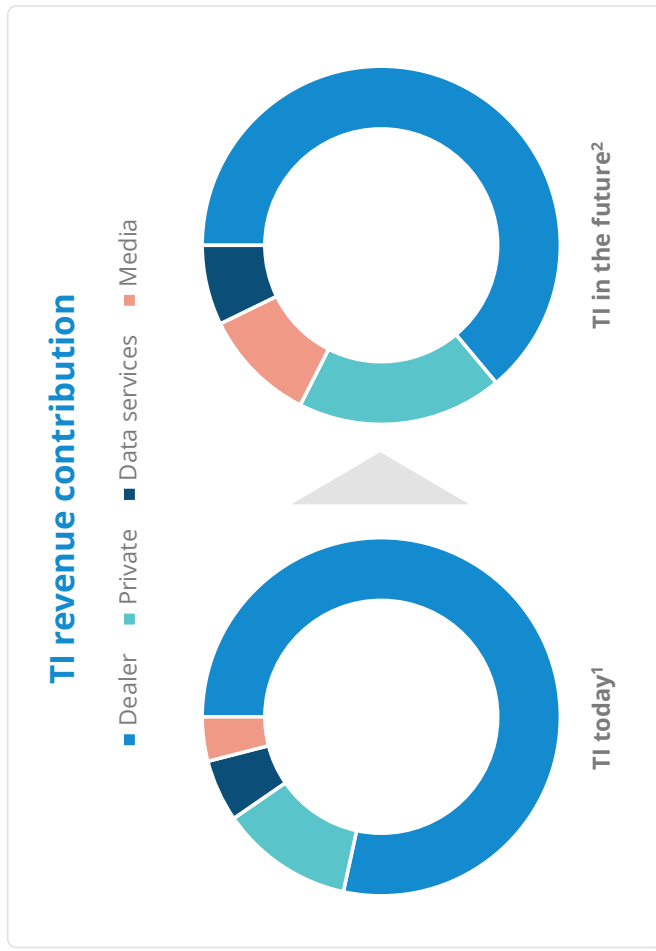
### Achieve feature parity in dealer products

- TI dealers log in to 'TraderTraxx' to access leads and publish inventory
- Usage penetration is relatively low compared to Australia
- By improving features, TI can
  - Increase dealer digital sophistication and 'stickiness' with TI
  - Improve quality of dialogue
  - More efficiently acquire new dealers and improve add-ons and upsell penetration

Key Autogate Feature	Trader Traxx	Initiative
Inventory & lead management	Partial functionality	Expand two-way data feeds to other websites
Pricing tool	Partial functionality	Introduce vehicle appraisal functionality
ROI calculator	Partial functionality	Provide more comprehensive ROI information for dealers
Depth	Partial functionality	Refine automation engine to improve buying effectiveness
Consumer survey data	Partial functionality	Implement post-lead surveys and integrate into reporting

Legend: Partial functionality (Small blue semi-circle), Moderate functionality (Medium blue semi-circle), Significant functionality (Large blue semi-circle)

# TI Targeting Good Double-digit Revenue Growth With Continued EBITDA Margin Expansion

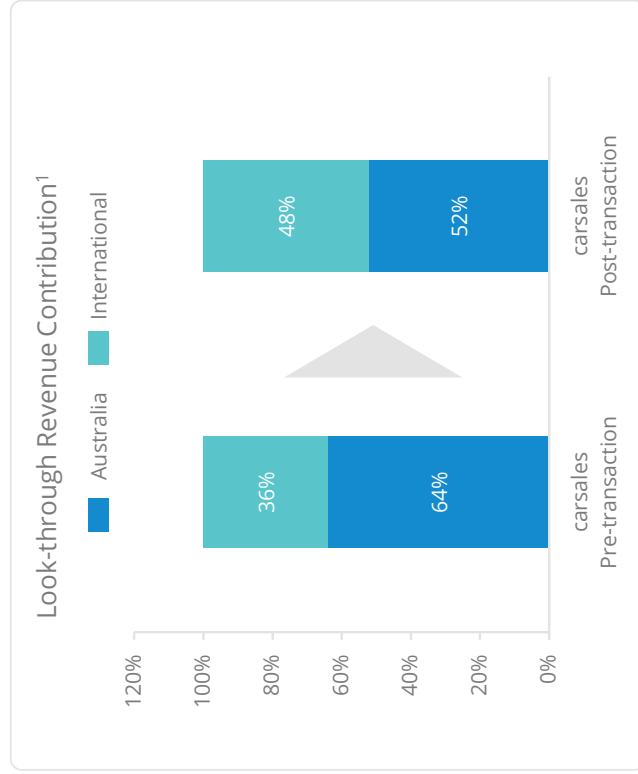


Increased contribution from private and media products, supported by excellent growth in dealer expected to drive double digit revenue growth and continued margin expansion

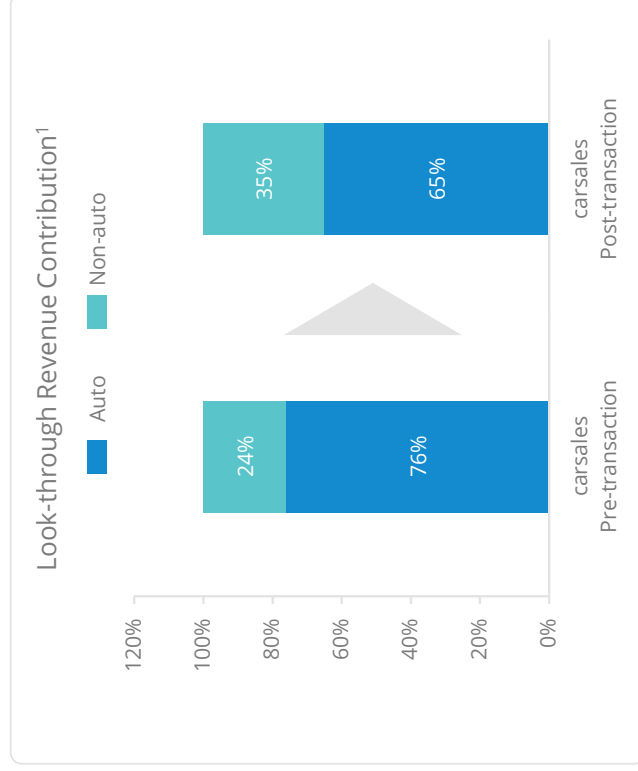
(1) FY22 Adjusted Revenue forecast. Refer to slide 3 for disclosure of non-IFRS information and slides 41-42 for reconciliation from Reported to Adjusted Financials. (2) Illustrative. Shown as a guide to indicate expectation of increased contribution of media and private segment revenue. Not a forecast. Refer to slide 3 for information concerning forward looking statements. In connection with the Acquisition, (3) H1FY22 Online Advertising Segment Adjusted EBITDA divided by Adjusted Revenue.

# Building Scale in High Growth Markets

## Diversifying our geographical mix



## Diversifying our industry mix



Expanding into new geographies to access larger addressable markets while increasing our global scale

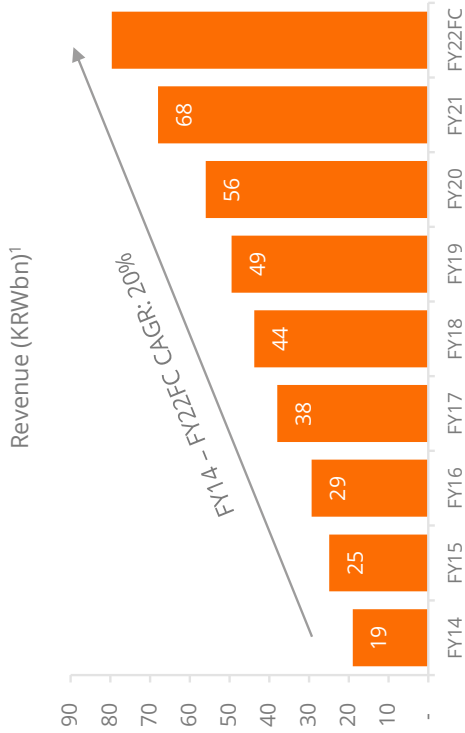
Increasing exposure to higher growth, less mature non-automotive markets

<sup>(1)</sup> carsales "look-through" methodology: For equity accounted associates and consolidated subsidiaries, add the total adjusted revenue for the period of ownership within the reporting period multiplied by the ownership %, relevant to the specific reporting period. Some "look-through" numbers involve the disclosure of non-IFRS information - Refer to carsales' Disclosure of Non-IFRS information on slide 3 for further details. Adjusted revenue excludes carsales investments operating segment. carsales pre-transaction revenue refers to H1 FY21 and carsales post-transaction refers to FY22 forecast. Refer to slide 3 for information concerning forward looking statements in connection with the Acquisition.



# Excellent Track Record of Delivering Growth in International Markets

## Korea - Encar

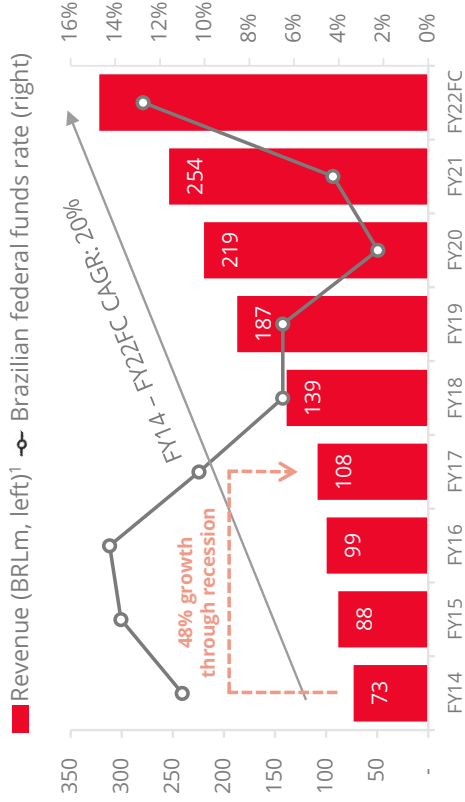


carsales purchased 49.9% of Encar 2014 (AUD\$126 million) then acquired remaining stake in 2017 (AUD\$244 million)

### What carsales has achieved since 2014

- Leveraged carsales IP and technology into the market, by deploying sophisticated tools and products
- Introduced Encar Guarantee inspection product which now accounts for approximately 40% of revenue
- Deployed a digital trade-in product called Dealer Direct, which is a local adaptation of the carsales Instant Offer product. This now comprises more than 10% of revenue

## Brazil - webmotors



carsales purchased 30% of Brazilian auto marketplace business webmotors in 2013

### What carsales has achieved since 2013

- Implemented the pay-per lead model
- Launched 'Cockpit' platform which enables dealers to manage inventory, leads, and other webmotors products
- Built finance integration with Santander which allows seamless credit assessment
- Increased dealer customer volumes by 94% since acquisition

A large white truck with a canopy is parked on a road. The scene is captured at sunset, with a warm, golden glow across the sky and the truck's surface. The truck is viewed from a low angle, emphasizing its size. The canopy is secured with straps. The background shows a road with white markings and a distant horizon under a cloudy sky.

carsales.com ltd

# Trader Interactive Overview

# Trader Interactive Overview

## Business Summary

- Leading platform of non-auto marketplaces, providing digital marketing solutions and services across commercial truck, RV, powersports, and equipment industries
- Offers marketplace services across listings subscriptions, private party listings, brand advertising, listing enhancements, as well as software, dealer services and data insights to provide dealer and industry intelligence for customers

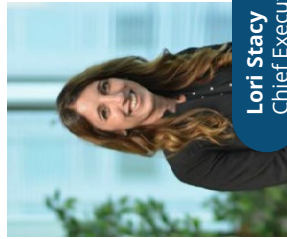
<b>RV</b>	<b>Powersports</b>
 	    
<b>Truck</b>	<b>Equipment</b>
 	  
<b>Software, Services, Data &amp; Insights</b>	
 	 

## Key Metrics

	RVs	Power sports	Trucks	Equipment
<b>Key Brand</b>	RVTrader	CycleTrader	Commercial TruckTrader	Equipment Trader
<b>Monthly visits<sup>1</sup></b>	6.11m	5.02m	1.91m	1.02m
<b>Lead v nearest competitor<sup>2</sup></b>	7.88x	5.14x <sup>3</sup>	0.77x	0.23x
<b>Listings (000)<sup>4</sup></b>	221	144	143	133
<b>Dealers (000)<sup>5</sup></b>	2.0	2.1	2.8	2.0
<b>Revenue contribution<sup>6</sup></b>	37%	27%	28%	8%

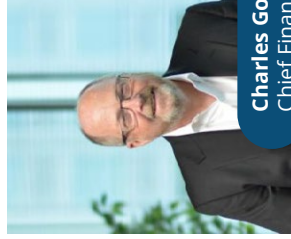
(1) Similarweb monthly visits for all brands noted in each industry under 'Business Summary' on this slide in Jan-22 vs. nearest competitor; (2) Similarweb monthly visits for all brands noted in each industry under 'Business Summary' on this slide in Jan-22 vs. nearest competitor; (3) CycleTrader.com v nearest competitor; (4) Listings published on key brand website as at 1-Jun-22; (5) Dealers subscribed for all brands noted in each industry under 'Business Summary'; (6) Forecast revenue for the period 1-Apr-22 - 30-Jun-22 by market divided by forecast total revenue for the quarter. Adjusted Revenue and Adjusted EBITDA as provided by Trader Interactive. Refer to slide 3 for disclosure of non-IFRS information and slides 41-42 for reconciliation from Reported to Adjusted Financials.

# An Experienced Management Team



**Lori Stacy**  
Chief Executive Officer

- Appointed CEO in 2017
- Joined TI in 1997 as a Sales Manager with Auto Trader
- Held President and GM roles at Dominion Enterprises and Trader Publishing owned by Cox Automotive and Landmark Media Enterprises



**Charles Goodwyn**  
Chief Financial Officer

- Appointed CFO in 2017
- Joined TI in 2000 as VP of Finance and Business Systems
- Previous experience with PwC as Audit Manager for seven years



**Paige Bouma**  
EVP - Sales & Operations

- Joined TI in 2005 as National Sales Manager for CycleTrader.com in 2005
- Became VP of recreational brands in 2014 before being appointed EVP of sales & operations in 2020



**Erin Ruane**  
EVP - Marketing

- Joined TI as EVP - Marketing and Trader Operating System Implementation in 2021
- 27 years in sales, marketing and advertising with extensive experience in digital marketplaces, B2C marketing and B2B marketing



**Senthil Velayutham**  
Chief Product & Technology Officer

- Appointed CPTO in 2020
- 24 years experience with Microsoft as CTO/Chief Architect of Microsoft Search & AI and Microsoft Teams
- Has a Masters of Science, Computers and Engineering from Arizona State University

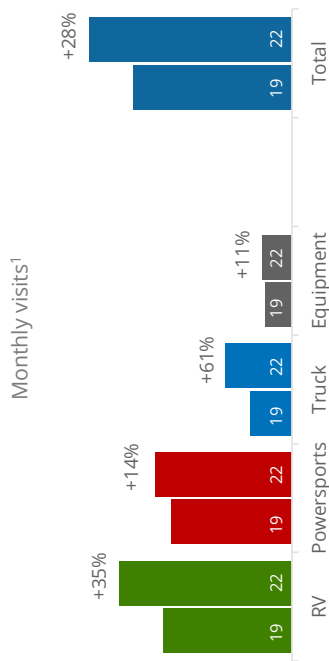


**Dadrick Baker**  
Chief People Officer

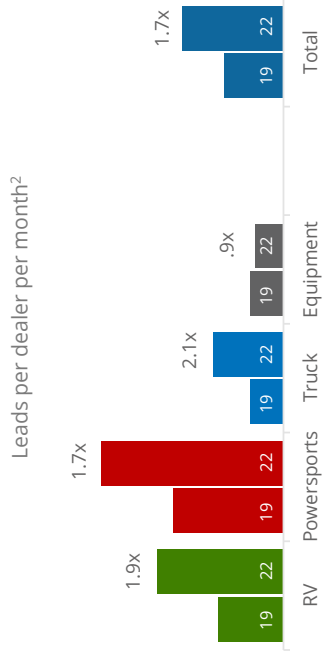
- Joined TI as CPO in 2020
- Background in human resources with extensive experience in talent acquisition in development, including with Health Essentials, Fidelity Life Insurance MassMutual and Cigna Healthcare

# TI's Value Proposition is Strong

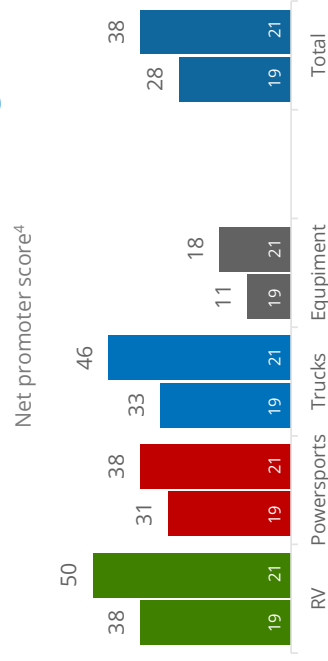
## Traffic is growing



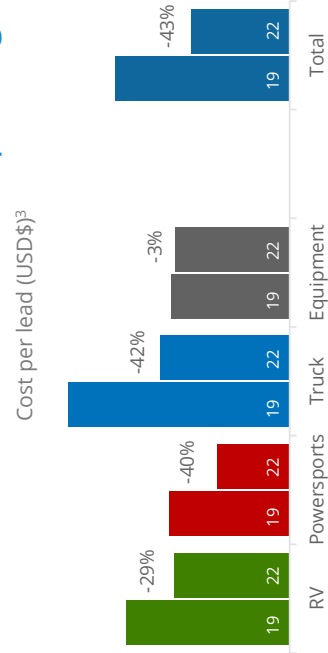
## Leads per dealer is increasing



## Dealer satisfaction is rising



## Return on investment is improving



(1) May-22 average monthly visits vs 2019. (2) May-22 dealer leads divided by subscribed dealers vs. 2019 total leads divided by subscribed dealers. (3) May-22 vs. 2019 Adjusted revenue divided by total leads. Refer to slide 3 for disclosure of non-IFRS information and slides 41-42 for reconciliation from Reported to Adjusted Financials. (4) TI internal data. Refer to slide 3 for information concerning forward looking statements in connection with the Acquisition.

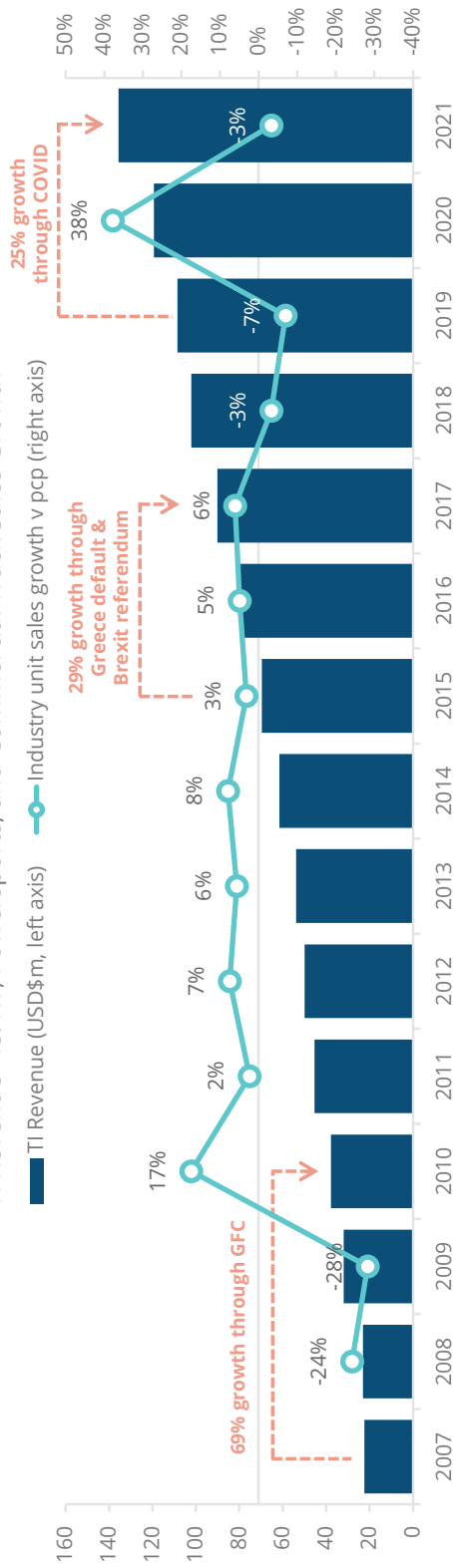
# TI Has Grown Through Economic Cycles

Leading digital marketplaces perform well through economic cycles.

TI has delivered 14% revenue CAGR over the last 15 years

- Used transactions are less cyclical than new transactions
- Dealers need to move inventory in any economic environment
- TI delivers a high return on investment versus other advertising sources – last channel to be reduced or cut by dealers
- Subscription model for dealers means overall dealer count remains relatively stable despite market sales volatility
- Cost base has a good level of flexibility similar to carsales Australia
- 84% of revenue is recurring, locking in stability through business cycles
- Diversity of industries provide further resilience

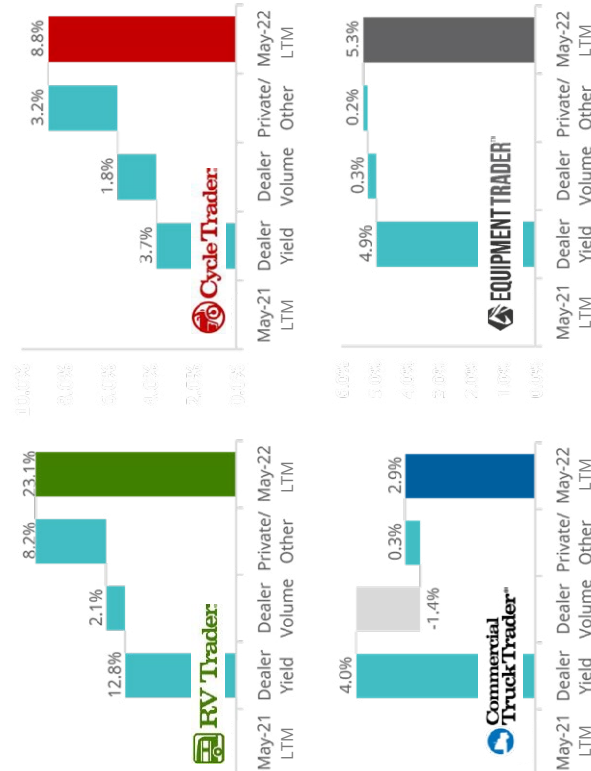
TI Revenue<sup>1</sup> vs. RV, Powersports, and Commercial Truck Sales Growth<sup>2</sup>



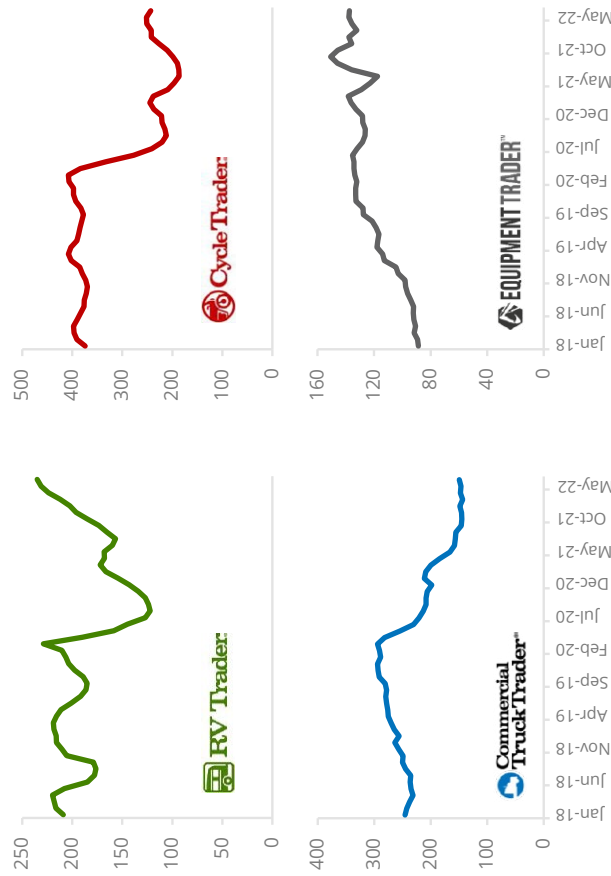
(1) Adjusted Revenue. Refer to slide 3 for disclosure of non-IFRS information and slides 41-42 for reconciliation from Reported to Adjusted Financials. The yearly revenue data represents calendar years (i.e. January to December) and not financial years (2) RV: Annual reported new vehicle shipments provided by RV Industry Association, Powersports: Annual motorcycle sales, US MotorCycles Data, Trucks: Annual commercial truck sales, Bureau of Economic Analysis, US Department of Commerce.

# TI Q4 Trading Update

Contribution to growth last twelve months (LTM)<sup>1</sup>



Published inventory (000)<sup>2</sup>



All markets are growing through a mix of contributions from private ads, dealer volume and dealer yield

Inventory levels in RV, Powersports and Equipment markets have rebounded. Truck inventory remains lower albeit no longer in decline

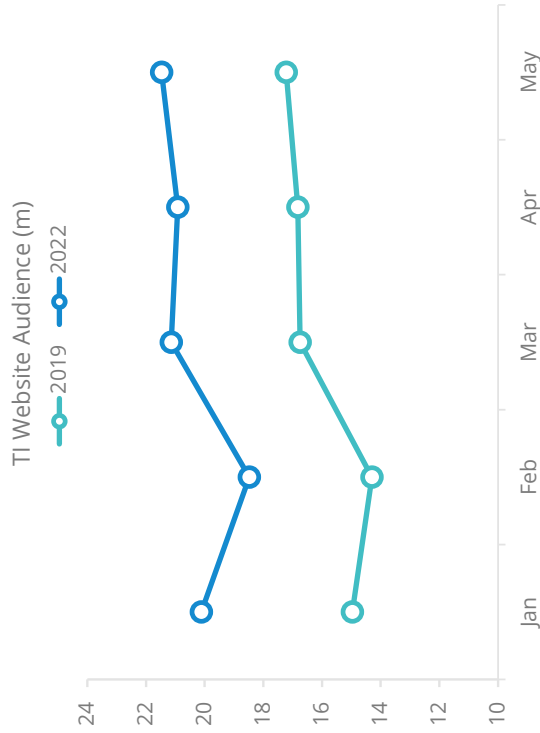
(1) Revenue contribution to growth, last twelve months May-22 vs. May-21; (2) Unique published inventory by month

# TI Q4 Trading Update (cont.)

## Current website traffic

### Audience metrics exhibiting excellent growth<sup>1</sup>

- All sites are consistently delivering traffic growth above pre-COVID levels with calendar YTD up 28% vs 2019
- May volume accelerated, achieving higher growth rates vs. pre-COVID than April



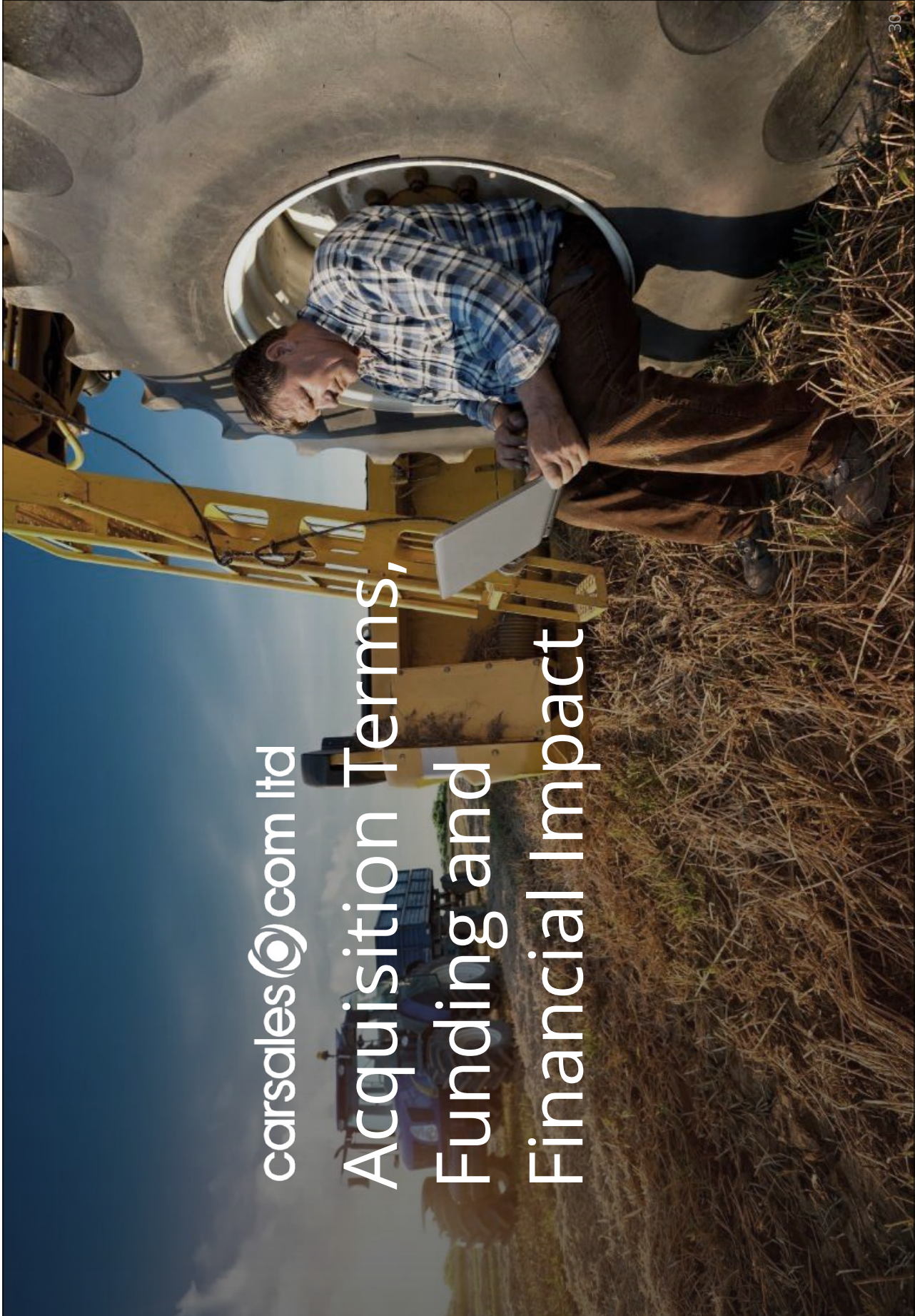
## Key performance metrics

### Key indicators of performance are significantly ahead of pre-pandemic levels

- TI continues to deliver excellent value to dealers which is reflected in strong financial performance

	FY19	Q4 FY22 annualised <sup>3</sup>	Growth
<b>Financial performance<sup>2</sup></b>			
Revenue (USD\$million)	105	151	44%
EBITDA (USD\$million)	49	89	82%
<b>Audience metrics<sup>1</sup></b>			
Visits (million)	185	254	38%
Leads (million)	3.0	4.3	45%
<b>May-19</b>			
Inventory (000, unique listings) <sup>1</sup>	1,113	905	(20%)
<b>May-22</b>			
<b>Growth</b>			





**carsales.com Ltd**  
**Acquisition Terms,  
Funding and  
Financial Impact**

# Transaction Funding and Terms

<b>Acquisition Price</b>	<ul style="list-style-type: none"> <li>Acquisition Price of USD\$809 million<sup>1</sup>, or approximately AUD\$1,172 million equivalent<sup>2</sup> for the 51% of the securities in Trader Interactive that carsales does not already own</li> </ul>
<b>Funding</b>	<ul style="list-style-type: none"> <li>The Acquisition Price, plus transaction costs, to be funded by approximately AUD\$1,207 million fully underwritten accelerated pro rata non renounceable entitlement offer</li> <li>carsales is expected to maintain a strong balance sheet post Acquisition, with pro forma FY22 Net Debt / EBITDA of ~2.7x<sup>3</sup>, which is expected to reduce to under 2.0x Net Debt / EBITDA over the next two years</li> </ul>
<b>Debt Restructure</b>	<ul style="list-style-type: none"> <li>carsales plans to replace the existing AUD\$562 million debt facility at Trader Interactive with upsized debt facilities from carsales' existing lenders</li> <li>carsales' debt facility to be upsized from AUD\$900 million to AUD\$1,400 million</li> </ul>
<b>Timing and Completion Considerations</b>	<ul style="list-style-type: none"> <li>The Acquisition is subject to various conditions, including obtaining the necessary regulatory approval, no material adverse change occurring prior to completion and execution of the securities purchase agreement</li> <li>Acquisition expected to complete in late Q1 FY23</li> </ul>

Equity raise	1,207	<b>AUD\$m</b>
Increased carsales debt	519	
<b>Total Sources</b>	<b>1,726</b>	
Acquisition Price <sup>1</sup>	1,172	<b>AUD\$m</b>
Repaying net debt at TI	519	
Transaction Costs	35	
<b>Total Uses</b>	<b>1,726</b>	

(1) Acquisition price calculated as 100% EV less net debt and other adjustments of US\$358million expected at completion, multiplied by 51% being the interest in Trader Interactive not owned by carsales and adjusted for payout of MEP. The final Acquisition Price is subject to completion adjustments and may differ from the number reported in this announcement. (2) Assumes an AUD / USD exchange rate of 0.69. (3) Assuming acquisition occurred on 30 June 2022. Refer to slide 3 for information concerning forward looking statements in connection with the Acquisition.

# Pro-forma Historical Profit and Loss

Last 12 Months Ended 31 December 2021, AUD\$ millions	carsales <sup>1</sup> Pro forma	Ti <sup>2</sup> Pro forma 100%	Adjustments	Combined Pro forma
<b>Adjusted Revenue<sup>3</sup></b>	<b>470.5</b>	<b>196.7</b>	-	<b>667.3</b>
Operating expense	(215.1)	(86.8)	-	(301.9)
<b>Adjusted EBITDA<sup>3</sup></b>	<b>255.4</b>	<b>109.9</b>	-	<b>365.3</b>
EBITDA Margin %	54.3%	55.9%		54.8%
Depreciation & amortisation	(34.9)	(10.4)	-	(45.3)
<b>EBIT</b>	<b>220.5</b>	<b>99.5</b>	-	<b>320.0</b>
Net finance cost	(25.7)	(33.3)	11.3	(47.8) <b>A</b>
<b>Profit Before Tax</b>	<b>194.8</b>	<b>66.2</b>	<b>11.3</b>	<b>272.3</b>
Income tax expense	(55.5)	(0.7)	6.3	(50.0) <b>B</b>
Profits from associates	36.9	-	(32.1)	4.8 <b>C</b>
Non-controlling interests (NCI)	(0.6)	-	-	(0.6)
<b>Adjusted NPAT<sup>3</sup></b>	<b>175.6</b>	<b>65.4</b>	<b>(14.5)</b>	<b>226.5</b>
<b>Adjusted EPS<sup>4</sup> (Cents)</b>	<b>60.7</b>	-	-	<b>64.9</b>

## 7% EPS accretive on a pro-forma historical basis, prior to growth initiatives<sup>4</sup>

### Basis of preparation

- The pro forma information is presented on a calendar year basis to show the impact of the Acquisition had the incremental 51% been acquired as of 1 January 2021, so that carsales' reviewed financials and Trader Interactives audited financials for the twelve months ended 31 December 2021 could be aggregated. **This excludes growth initiatives that are expected to arise from the Acquisition but includes certain other Adjustments described below.**
- The combined pro forma results reflect the unaudited results of carsales for CY21, aggregated with Trader Interactives' audited full year results on a fully consolidated basis for the purposes of showing the impact of the transaction on the historical financials. This information is provided for illustrative purposes only and is not represented as being indicative of carsales' views on the Combined Business's future financial condition and/or performance.
- CY21 financials for carsales were prepared using reviewed HI FY22 plus audited full year FY21 less reviewed HI FY21 as well as proforma transaction adjustments (described below) were made to Net Finance cost and associated Tax Expense to reflect current interest rate, refer to slide 41 for the reconciliation. carsales prepares its financial statements in accordance with Australian Accounting Standards, which conform to International Financial Reporting Standards ("IFRS").
- Trader Interactive financial information has been extracted from its audited financial statements for the year ended December 31, 2021, which were prepared in accordance with US GAAP principles, which may differ from IFRS and carsales accounting policies. As at the date of this presentation quantified differences between US GAAP and IFRS is not material.

### Pro-forma transaction adjustments

- A. Carsales' Pro forma net finance costs of A\$25.7m on borrowings of A\$643.2m and TI Pro forma net finance costs of A\$33.3m on borrowings of A\$579.7m. Combined Pro-Forma net finance costs of A\$47.8m represents the annual cost of the new capital structure which will be finalised pre completion. Assumed debt at the TI level is being replaced with debt at the carsales level as part of a refinancing to be undertaken pre completion. The net finance cost savings reflect a more efficient debt structure and a lower average interest rate post completion. Current three month forward BBSW rates have been used to calculate interest costs and debt balance as at 31 December 2021.
- B. Income tax expense of (AUD)\$0.7m at the Trader Interactive level reflects a tax deduction of AUD\$68m for purchase price intangibles. This annual deduction will continue to be available to carsales under a 100% ownership scenario. In the first full year of carsales' 100% ownership we expect to pay minimal tax due to additional deductions being available. These additional tax deductions relate to incremental amortisation deductions, prior year interest and tax deductions and R&D tax credits. The additional deductions will be available in the short to medium term and will then fall away whilst the \$68m deduction will remain available for 9 years. The Adjustment of AUD\$6.3m represents a pro forma tax deduction on AUD\$22.0m of additional interest expense at the carsales level.
- C. Profits from associates adjustment of A\$32.1m reflects reversal of carsales' share of Trader Interactives' Adjusted net profit after tax of AUD\$65.4m (USD\$45.2m) multiplied by 49%, being carsales' current interest.

(1) CY21 financials for carsales were prepared based on reviewed HI FY22 plus audited full year FY21 less reviewed HI FY21 as well as proforma adjustments were made to Net Finance cost and associated Tax Expense to reflect current interest rate, refer to slide 41 for the reconciliation.  
 (2) Financials stated is for the 100% of the business and the data has been extracted from the Trader Interactive Audited financials for CY21 and is reported in US GAAP. (3) Adjusted Revenue, Adjusted EBITDA and Adjusted NPAT stated above is post non-controlling interests and excludes certain non-recurring or non-cash items and new ventures on Trader Interactive level. Adjusted NPAT also excludes amortisation of Trader Interactives' acquisition related intangible assets and any intangible assets that will be recognised by carsales (for carsales reporting purposes) as part of the purchase price accounting exercise. Refer to slide 3 regarding the disclosure of non-IFRS information and slides 41-42 for reconciliation from Reported to Adjusted Financials. (4) Based on Adjusted NPAT before amortisation of intangibles and one-off transaction costs. The impact of purchase price accounting has not been completed and will impact future amortisation charges. In accordance with AASB 133, carsales' pre Transaction EPS has been restated based on an adjustment factor to take into account the New Shares to be issued in connection with the Entitlement Offer. The TERP adjustment factor is approximately 0.977.

# Pro-forma Balance Sheet

As at 31 December 2021, AUD\$ millions	carsales <sup>1</sup>	Trader Interactive <sup>2</sup>	Adjustments	Pro-Forma <sup>3</sup>
Current assets	144.9	40.5	-	185.4
Non-current assets	1,631.4	934.7	1,123.9	3,690.0
<b>Total Assets</b>	<b>1,776.3</b>	<b>975.2</b>	<b>1,123.9</b>	<b>3,875.5</b>
Current liabilities	101.0	22.3	-	123.3
Non-current liabilities	730.2	591.5	59.7	1,381.5
<b>Total Liabilities</b>	<b>831.2</b>	<b>613.8</b>	<b>59.7</b>	<b>1,504.8</b>
<b>Total Equity</b>	<b>945.1</b>	<b>361.4</b>	<b>1,064.2</b>	<b>2,370.7</b>
Net Debt	554.9	547.7		1,102.6

## Basis of preparation

- The pro forma balance sheet is presented to show the impact of the Acquisition had it completed as at 31 December 2021, using USD / AUD exchange rate of 0.69 to translate pro forma adjustments from USD to AUD, where applicable.
- carsales prepares its financial statements in accordance with the Australian Accounting Standards, which conform to IFRS.
- Trader Interactive financial information has been prepared and reviewed in accordance with Australian Accounting Standards by carsales as of 31 December 2021 to carry out purchase price accounting for the initial 49% acquisition. This balance sheet position differs from their reported position in accordance with US GAAP.
- Pro forma balance sheet has been prepared and reviewed in accordance with Australian Accounting Standards, which conform to IFRS.

## Pro-forma transaction adjustments

- Reflects the preliminary estimated value of goodwill and other intangible assets expected to be recognised on acquisition of Trader Interactive. This is subject to finalisation of the preliminary purchase price allocation post completion.
- Non-current liabilities includes carsales borrowings of \$643m and Trader Interactive borrowings of \$580m at Dec-21. The Adjustments reflects deferred tax liabilities to be recognised on intangibles. This is subject to finalization of acquisition accounting post completion.
- Reflects the recognition of the estimated impact of the capital raise on equity including associated transaction costs and the expense to be recorded in the income statement related to transaction costs associated with the acquisition of Trader Interactive.

(1) carsales 31-Dec-21 position based on carsales' reviewed financial statements for the period ended 31 December 2021. (2) Trader Interactive 31-Dec-21 position based on reviewed financial statements for the period ended 31 December 2021 prepared on IFRS basis by carsales. This balance sheet position differs from T1's reported position in accordance with US GAAP. (3) Based on the acquisition price calculated as 100% EV less net debt and other adjustments of US\$358 million expected at completion, multiplied by 51% being the interest in Trader Interactive not owned by carsales and adjusted for payout of the MEP. The final Acquisition Price is subject to completion adjustments and may differ from the number reported in this announcement.



**carsales.com Ltd**  
**Trading Update**

# Strong Trading Momentum

	FY21 Actual	FY22 Estimate <sup>1</sup>	FY22 pro forma <sup>1</sup>
<b>AUD\$ millions</b>			
Adjusted Revenue <sup>2</sup>	438	507-509	700-704
Adjusted EBITDA <sup>2</sup>	254	270-272	379-383
Adjusted EBITDA Margin %	58%	53%-54%	54%-55%
Adjusted NPAT <sup>2</sup>	153	194-196	27%-28%
Reported Revenue	427	506-508	19%
Reported EBITDA	241	267-269	11%
Reported NPAT	131	161-163	23%-25%

## Basis of preparation

The pro forma information is presented to show the impact of the Trader Interactive acquisition had the incremental 51% been acquired as of 1 July 2021, so that each entity's unaudited financial information for the period of Jul-21 to Jun-22 could be aggregated. Jul-21 to Jun-22 financial has been prepared using 11 months of actuals and 1 month forecast for both entities. The actual financial information has been extracted from management accounts for both entities which have not been audited or reviewed. Trader Financials were converted using Implied AUD / USD rate of 0.7308. FY22 pro forma financials exclude growth initiatives that are expected to arise from the Acquisition and certain other Adjustments described on slide 32

## We provide the following estimate of the FY22 results

All numbers referenced are unaudited and will be subject to review as part of our year-end audit process. The result ranges are an estimate only to keep the market as well informed as possible

The estimated results demonstrate the continued strength of our Australian and international businesses:

- Domestic business performance in the first five calendar months reflects continued healthy levels of demand in the Australian automotive and non-automotive markets as well as increased adoption in key growth products
- Our international businesses are delivering strong financial results:
  - Korea continues acceleration of Guarantee penetration and Dealer Direct volumes have been growing very strongly
  - In the US, all markets are growing through a mix of contributions from private ads, dealer volume and dealer yield. Please refer to slides 28-29 for further details.
  - Brazil continues to demonstrate strong growth in dealer numbers and dealer yield with improving inventory levels.

# Current Trading Observations - carsales

## Overall

The carsales business enters FY23 with strong momentum from both a domestic and international perspective. We expect to deliver double-digit growth across all three key financial metrics in H2 FY22 with Adjusted Revenue<sup>1</sup> up 16%, Adjusted EBITDA<sup>1</sup> up 11% and Adjusted NPAT<sup>1</sup> up 27-28%, which positions the business well to continue delivering excellent results in FY23

## carsales Domestic Observations

Overall, the domestic business is heading into FY23 in a strong position given we expect to deliver double-digit revenue growth in the online advertising segment in H2 FY22. Margins have remained strong in H2 FY22.

- Dealer:
  - Underlying market conditions remain solid which has been reflected in a considerably improved performance in the second half of FY22 versus the first half. This improved performance is expected to flow into the start of FY23
- Private:
  - The private seller advertising market continues to be very strong heading into FY23. Dynamic pricing improvements made in the second half of FY22 are expected to help deliver good yield growth in FY23. Enhancements made to the Instant Offer pricing engine combined with marketing investment have driven an increase in Instant Offer volumes in the last quarter of FY22
- Media:
  - Expected to deliver our third consecutive half of double-digit revenue growth in H2 FY22, which provides confidence that we can continue to deliver good growth in this segment moving forward
- carsales' investments:
  - Strong revenue growth in H2 FY22 due to acquisition of tyreconnect

## carsales International Observations<sup>1</sup>

Our international portfolio continued to perform strongly in the second half.

- Korea:
  - The business continues to demonstrate strong financial performance driven by continued expansion of the Guarantee and Dealer Direct products which is expected to continue into FY23
- Brazil:
  - Very strong growth in H2 FY22 which is expected to continue into FY23 given current trading momentum
- United States:
  - Refer to slides 28-29 for trading observations

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# Equity Raising



# Overview of the Equity Raise

<b>Offer Size and Structure</b>	<ul style="list-style-type: none"> <li>Fully underwritten 1 for 4.16 pro-rata accelerated non-renounceable entitlement offer to raise gross proceeds of approximately AUD\$1,207 million (“<b>Entitlement Offer</b>”)</li> <li>Approximately 68 million new ordinary shares (“<b>New Shares</b>”) to be issued under the Entitlement Offer, equivalent to 24% of existing shares on issue</li> </ul>
<b>Offer Price</b>	<ul style="list-style-type: none"> <li>Entitlement Offer price of AUD\$17.75 per New Share (“<b>Offer Price</b>”), representing a:                             <ul style="list-style-type: none"> <li>a 14.5% discount to the last closing price of AUD\$20.76 on Friday, 24 June 2022; and</li> <li>a 12% discount to the Theoretical Ex-Rights Price (“<b>TERP</b>”) of AUD\$20.18<sup>1</sup></li> </ul> </li> </ul>
<b>Use of Proceeds</b>	<ul style="list-style-type: none"> <li>Net proceeds from the Entitlement Offer will be used to fund the Acquisition and associated costs of the remaining 51% of Trader Interactive that carsales does not already own<sup>2</sup></li> </ul>
<b>Institutional Entitlement Offer</b>	<ul style="list-style-type: none"> <li>The Institutional Entitlement Offer opens today and closes on Tuesday, 28 June 2022 for eligible Institutional shareholders<sup>3</sup></li> <li>Institutional Entitlements not taken up and those of ineligible Institutional shareholders will be sold at the Offer Price</li> </ul>
<b>Retail Entitlement Offer</b>	<ul style="list-style-type: none"> <li>The Retail Entitlement Offer will open on Friday, 1 July 2022 and close at 5:00pm (Melbourne time) on Wednesday, 13 July 2022</li> <li>Eligible retail shareholders in Australia and New Zealand may:                             <ul style="list-style-type: none"> <li>Elect to take up all or part of their pro rata entitlements prior to 5.00pm (Melbourne time) on Wednesday, 13 July 2022</li> <li>Do nothing and let their retail entitlements lapse</li> </ul> </li> <li>Retail shareholders should read the Retail Entitlement Offer Booklet which contains full information on the Retail Entitlement Offer and application process</li> </ul>
<b>Underwriting</b>	<ul style="list-style-type: none"> <li>The Entitlement Offer is fully underwritten</li> </ul>
<b>Ranking</b>	<ul style="list-style-type: none"> <li>New Shares issued under the Entitlement Offer will rank pari passu with existing fully paid shares from the date of issue</li> </ul>
<b>Board Participation</b>	<ul style="list-style-type: none"> <li>All carsales’ Directors are participating in the Entitlement Offer for either full or part of their entitlements</li> </ul>

(1) The Theoretical Ex-Rights Price (“TERP”) is the theoretical price at which carsales shares should trade immediately following the ex-date for the Entitlement Offer. TERP is calculated by reference to carsales’ closing price of \$20.76 on Friday, 24 June 2022, being the last trading day prior to the announcement of the Entitlement Offer. TERP is a theoretical calculation only and the actual price at which carsales shares trade immediately after the ex-date of the Entitlement Offer will depend on many factors and may not be equal to TERP. (2) The equity raised from the Entitlement Offer will be in AUD to fund the Acquisition in US Dollars. Funding assumes an AUD/USD exchange rate of 0.69. (3) carsales has determined to extend the Institutional Entitlement Offer to institutional shareholders registered in Australia, Canada (British Columbia, Ontario and Quebec provinces only), European Union (Denmark, France, Luxembourg and the Netherlands), Hong Kong, Japan, New Zealand, Norway, Singapore, Switzerland, United Arab Emirates (excluding financial zones), United Kingdom and United States subject to the International Offer Restrictions set out in Appendix C of this Presentation.

# Equity Raising Timetable<sup>1</sup>

Event	T+	Date
Trading halt and announcement of Entitlement Offer	0	Monday, 27-Jun-22
Institutional Entitlement Offer opens	0	Monday, 27-Jun-22
Institutional Entitlement Offer closes	1	Tuesday, 28-Jun-22
Announcement of results of Institutional Entitlement Offer	2	Wednesday, 29-Jun-22
Trading halt lifted and CAR shares recommence trading	2	Wednesday, 29-Jun-22
Retail Entitlement Offer Record Date	2	7:00pm on Wednesday, 29-Jun-22
Retail Entitlement Offer opens and Retail Offer Booklet made available	4	Friday, 01-Jul-22
Settlement of New Shares issued under the Institutional Entitlement Offer	6	Tuesday, 05-Jul-22
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	7	Wednesday, 06-Jul-22
Retail Entitlement Offer closes	12	5:00pm on Wednesday, 13-Jul-22
Announcement of results of Retail Entitlement Offer	14	Friday, 15-Jul-22
Settlement of New Shares issued under the Retail Entitlement Offer	16	Tuesday, 19-Jul-22
Allotment of New Shares issued under the Retail Entitlement Offer	17	Wednesday, 20-Jul-22
Normal trading of New Shares issued under the Retail Entitlement Offer	18	Thursday, 21-Jul-22
Holding statements in respect of New Shares issued under the Retail Entitlement Offer are dispatched	18	Thursday, 21-Jul-22

carsales.com Ltd  
Appendix A  
Supplementary  
Financial  
Information

# Adjustments to Statutory Financials - carsales

## FY22 Estimate<sup>1</sup>

AUD\$ millions	Revenue	EBITDA	NPAT
<b>Statutory Financials</b>	<b>506-508</b>	<b>267-269</b>	<b>161-163</b>
Dealer Support Package	0.4	0.4	0.3
Restructuring and M&A transaction costs	-	2.8	2.1
FX Gain / Loss	-	(1.1)	(0.9)
Hedge Close out	-	0.7	4.3
Fair value revaluation post NCI	-	-	(0.1)
Total acquired intangible amortisation	-	-	22.5
Trader Interactive One-Off Adjustments <sup>2</sup>	-	-	5.0
<b>Adjusted Financials</b>	<b>507-509</b>	<b>270-272</b>	<b>194-196</b>

## Last 12 months Ended 31 December 2021

AUD\$ millions	Revenue	EBITDA	NPAT
<b>Statutory Financials</b>	<b>470.1</b>	<b>252.9</b>	<b>144.3</b>
<i>Management Normalisation Adjustments</i>			
Dealer Support Package	0.5	0.5	0.4
Restructuring and M&A transaction costs	-	1.4	1.1
Hedge Close out	-	0.7	4.8
One-off tax adjustment	-	-	1.3
Fair value revaluation post NCI	-	-	0.4
Total acquired intangible amortisation	-	-	13.0
Trader Interactive One-Off Adjustments <sup>2</sup>	-	-	2.2
<b>Adjusted Financials</b>	<b>470.5</b>	<b>255.4</b>	<b>167.6</b>
<i>Pro forma Adjustments</i>			
Net Finance Cost <sup>3</sup>	-	-	(10.7)
Net Profit Contribution - T1 <sup>4</sup>	-	-	18.8
<b>Pro forma Adjusted Financials</b>	<b>470.5</b>	<b>255.4</b>	<b>175.6</b>

(1) Refer to slide 3 for information concerning forward looking statements in connection with the Acquisition and slide 35 for basis of preparation. (2) Trader Interactive One-Off Adjustments include Restructuring, M&A and Initiative costs. Acquired intangible amortisation related to Trader Interactive is included in the "Total acquired intangible amortisation" line. Refer to slide 3 for disclosure of non-IFRS information (3) Net Finance cost Adjustment of AUD\$10.7 million is the tax effected difference between AUD\$11.9 million of finance cost incurred in CY21 and AUD\$25.7 million Finance cost calculated using carsales' current debt balance of AUD\$691 million multiplied by current three month forward BBSW rates rate and margin (3.8%). (4) Net Profit contribution - T1 reflects the difference between profit contribution from assumed pro forma ownership of 49% for Jan-21 to Dec-21 period and profit contribution from actual ownership Sep-21 to Dec-21.

# Reported to Adjusted Financials - TI

Year Ended 31 December 2021, AUD\$ millions	Reported	Adjustments	Adjusted
<b>EBITDA</b>	<b>76.0</b>	<b>33.9 A</b>	<b>109.9</b>
<i>EBITDA Margin %</i>	38.6%		55.9%
Depreciation & amortisation	(41.0)	30.6 B	(10.4)
<b>EBIT</b>	<b>35.0</b>	<b>64.5</b>	<b>99.5</b>
Net finance costs	(37.9)	4.6 C	(33.3)
<b>Profit Before Tax</b>	<b>(2.7)</b>	<b>69.0</b>	<b>66.2</b>
Income tax expense	(0.7)	-	(0.7)
<b>Net Profit After Tax</b>	<b>(3.5)</b>	<b>69.0</b>	<b>65.4</b>
carsales share of Net Profit	(1.7)	33.8	32.1

## Management Normalisation Adjustments

- A. EBITDA: Adjustments to exclude non-operating, non-recurring items and new ventures
- B. Depreciation & amortisation: Reported depreciation and amortisation of purchase price intangibles under the previous ownership structure. The adjusted amount excludes the impact of any purchase price intangibles that have been recognised by Trader Interactive in respect of acquisitions made historically. Also excluded is amortisation of purchase price intangibles that will arise for carsales reporting purposes as part of carsales' purchase price accounting for this transaction

## Pro-forma transaction adjustments

- C. Net Finance cost: Adjusted interest A\$33.3m has been calculated based on Trader Interactive's debt balance as at 31 December 2021 of A\$579.7m (US\$400m) multiplied by current interest rate of 5.75%. Reported interest reflects interest incurred under the previous ownership structure



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# Appendix B Key Risks

# Key Risks

This section describes the key risks to carsales' business associated with the Acquisition together with the risks relating to participation in the Entitlement Offer that may affect the price or value of carsales' shares. Before investing in carsales, you should be aware that an investment in carsales has a number of risks, some of which are specific to carsales and some of which relate to listed securities generally, and many of which are beyond the control of carsales.

The risks set out in this section do not constitute an exhaustive list of all risks involved in an investment in carsales and for the avoidance of doubt, the categorisation of the risks does not limit their relevance to that particular category.

Investors should consult their own professional, financial, legal and tax advisers about these risks and the suitability of investing in carsales in light of their particular circumstances. Investors should also consider publicly available information on carsales and Trader Interactive (including information available on the ASX website) before making any investment decision.

### A. SPECIFIC RISKS RELATING TO THE ACQUISITION

#### 1. Risks associated with completion of the Acquisition

carsales has exercised its call option to acquire the remaining 51% interest in Trader Interactive. The Acquisition is subject to various conditions, including obtaining the necessary regulatory approval and execution of the securities purchase agreement. The conditions are expected to be satisfied within 90 days but some of these are not within carsales' control.

carsales expects the Acquisition to proceed as advised. However, if the Acquisition fails to proceed or is delayed, the expected financial performance of carsales could be adversely affected and the benefits of the Acquisition outlined in this presentation may not be realised. The consummation of the Acquisition, or any transaction, is also subject to various risks and contingencies. There can be no assurance that the Acquisition, or any transaction, will be consummated.

If the Acquisition does not proceed and carsales has raised funds under the Entitlement Offer, carsales will return such proceeds to shareholders. If the Acquisition is delayed, carsales may incur additional costs and it may take longer than anticipated, if at all, for carsales to realise the anticipated benefits of the Acquisition or those benefits may be diminished.

Failure to proceed with or complete the Acquisition may be due to circumstances outside of carsales' control, including intervention by a regulatory body or order of a court of competent jurisdiction that imposes conditions, terms, obligations or restrictions in connection with their approval of the Acquisition, a failure to execute the securities purchase agreement or the occurrence of any event, change or other circumstance that could give rise to the termination of the securities purchase agreement, amongst other factors. Completion may also be impacted or prevented as a result of changes in the relevant legal and regulatory frameworks in Australia, the United States or other relevant jurisdictions.

#### 2. Due Diligence

carsales has undertaken a due diligence process in relation to the Acquisition which relied in part on the review of financial and other information provided by Trader Interactive.

Despite making reasonable efforts, carsales has not been able to verify the accuracy, reliability or completeness of all of the information which was provided to it against independent data. carsales' assumptions and analysis may be inaccurate, including as a result of incorrect or missing information, flawed analysis methods or incorrect assumptions. There is no assurance that the due diligence conducted was comprehensive and that all issues and risks in respect of the Acquisition have been completely or accurately identified and avoided (or managed appropriately). Actual performance of Trader Interactive or circumstances may differ from carsales' conclusions.

Unforeseen issues and risks in respect of the Acquisition, in relation to Trader Interactive and its business may arise, which may have a materially adverse impact on carsales (for example, carsales may later discover liabilities or issues which were not identified through due diligence or for which there is no protection for carsales or fail to identify historical or future tax exposure across multiple jurisdictions). This could adversely affect the operations, financial performance or position of both Trader Interactive and carsales (the **Combined Business**).

# Key Risks

## A. SPECIFIC RISKS RELATING TO THE ACQUISITION (CONTINUED)

### 3. Future earnings risk

carsales has undertaken financial and business analysis of Trader Interactive in order to determine whether to pursue the Acquisition and its attractiveness to carsales. It is possible that such analysis, and the best estimate assumptions made by carsales, draw conclusions and forecasts that are inaccurate or which will not be realised in due course. To the extent that the actual results achieved by Trader Interactive, and consequently of the Combined Business, are different than those anticipated there is a risk that the profitability and future earnings of the Combined Business may differ (including in a materially adverse way) from the performance as described in this Presentation. There is also no guarantee that any prospective future earnings of carsales will be realised after completion of the Acquisition. Investors should also note this Presentation contains pro forma historical financial information, which is provided for illustrative purposes only and is not represented as being indicative of carsales' (or anyone else's) views on the Combined Business's future financial condition and/or performance.

### 4. Key management personnel

The success and performance of the Combined Business will rely on the effectiveness, talent and experience of key management personnel. The loss of any key personnel or group of staff generally could cause disruption to the conduct of the Combined Business in the short term and may have a material adverse impact on the Combined Business's operations, financial performance and/or financial position. It may be difficult to replace key personnel, or to do so in a timely manner or at comparable expense.

### 5. Regulatory risks

Post completion of the Acquisition, carsales will operate a wholly owned subsidiary in the United States and therefore be required to comply with the associated legal, regulatory, tax, licensing, and compliance relating to operating a business in the United States. This expansion will also expose carsales to the risk of operating in some jurisdictions which have different regulatory environments for breach of financial crimes laws. carsales will need to manage compliance with applicable laws. Any breach of the relevant legal or regulatory obligations or failure to meet compliance requirements may have an adverse impact on, or prevent completion of, the Acquisition, and may also have an adverse impact on the Combined Business's earnings and/or financial position and performance as well as their reputation.

### 6. Legal risks

The Acquisition involves carsales exercising its rights under a call option. Whilst the transaction documents relating to the Acquisition will contain some protections in respect of certain historical liabilities of Trader Interactive, there is always a risk that the transaction documents do not contain adequate protection for potential liabilities relating to Trader Interactive's business or other costs, potentially exposing carsales to the risk of future liabilities, costs or disputes arising in relation to the Acquisition or Trader Interactive's business generally.

### 7. Impact of COVID-19

Trader Interactive's business and operations continue to be exposed to the effects of COVID-19 (for example, supply chain issues arising from COVID-19, which in turn has resulted in lower inventory levels). There is a risk that COVID-19 continues to disrupt the Trader Interactive business, impair financial performance and impact the wellbeing of personnel. The long-term impacts of COVID-19 on the general economy, Trader Interactive and the industry in which Trader Interactive operates are uncertain and the future financial and operational performance of Trader Interactive and in turn the Combined Business may continue to be adversely affected by impacts from COVID-19.

### 8. Global markets and foreign exchange risk

As a result of the Acquisition, carsales is further increasing its concentration in the United States and therefore will be further exposed to the performance of the United States' domestic economy as well as global macroeconomic conditions (including as a result of any sanctions or escalations from the current conflict in Ukraine or other future world conflicts).

carsales will also become more exposed to fluctuations in the value of the USD, as well as other global currencies, than it was prior to the Acquisition. In cases where carsales' debt or other obligations are in currencies different than the currency in which carsales earns revenue, carsales may face higher costs to service those debts, which could impact on its financial performance or position. Fluctuations in exchange rates may also decrease the expected contributions made by Trader Interactive to carsales' earnings, resulting in an adverse impact on the Combined Business's earnings and/or financial position and performance.



# Key Risks

### A. SPECIFIC RISKS RELATING TO THE ACQUISITION (CONTINUED)

#### 9. Historical liabilities

If the Acquisition completes, carsales will have greater exposure to any liabilities that Trader Interactive has incurred or agreed to incur in the past.

In addition, carsales will be exposed to any liabilities which were not identified during its due diligence, or which are greater than expected, for which insurance may not be adequate or available, and for which carsales may not have recourse. These could include liabilities relating to current or future litigation, regulatory actions and other liabilities. Such liability may adversely affect the financial performance or position of the Combined Business following completion of the Acquisition.

#### 10. Debt funding and refinancing risks

As part of the Transaction, carsales will seek the consent of its existing lenders to the Acquisition and also plans to upsize its debt facilities with existing lenders and new lenders as set out in slide 31 of this Investor Presentation. In the event carsales does not receive these consents it will need to replace its existing debt facilities prior to Completion of the Acquisition. If the existing lenders and/or new lenders do not agree to increase the existing debt facilities prior to completion of the Acquisition, carsales will need to seek alternative funding. In both cases, carsales may rely upon a backstop agreement with other lenders which may have higher financing costs. To the extent the increased facilities are provided, carsales will be more exposed to risks associated with gearing and higher leverage ratios, as its stand alone debt levels will increase.

In addition, the Combined Business will be more exposed to general risks associated with higher levels of debt. It may be more difficult for the Combined Business to refinance all or some of these debt facilities in the future and may result in an inability to secure new debt facilities at a similar quantum and cost to existing debt facilities which may adversely affect its financial performance. There is also a risk that shareholders do not agree with the increase in carsales' debt levels and may seek to reduce their shareholding, which may result in a fall in carsales' share price.

The Acquisition may also result in unforeseen requirements given the larger capital requirements of the Combined Business. The Combined Business may not be able to secure financing on favourable terms, or at all, to meet its future capital needs, and therefore additional offers that could dilute the capital of carsales or additional debt facilities may be required. Any existing and future debt financing may contain covenants that impact the operation of the Combined Business and pursuit of business opportunities. carsales' ability to conduct an offer in the future will depend on the market conditions at the time.

#### 11. Underwriting risks

carsales has entered into an underwriting agreement with Morgan Stanley Australia Securities Limited, Goldman Sachs Australia Pty Ltd and UBS Securities Australia Ltd (together, the **Underwriters**) in respect of the Entitlement Offer, a summary of which is set out in Appendix D of this Presentation (**Underwriting Agreement**). If certain conditions are not satisfied or if certain termination events occur, the Underwriters may terminate the Underwriting Agreement.

Termination of the Underwriting Agreement may impact the ability of carsales to proceed with the Entitlement Offer and raise proceeds under the Entitlement Offer. If the Underwriting Agreement is terminated by the Underwriters, there is no guarantee that the Entitlement Offer will continue in its current form or at all. In these circumstances, carsales may need to find alternative funding to meet its contractual obligations under the Acquisition, which may result in carsales incurring additional costs and/or potential restrictions being imposed on the manner in which carsales conducts its business and deals with its assets. There is no guarantee that alternative funding could be sourced on satisfactory terms and conditions or at all. In this situation, carsales may be exposed to liability under the securities purchase agreement, once executed. Termination of the Underwriting Agreement could materially adversely affect carsales' business, cash flow and financial performance.

# Key Risks

## A. SPECIFIC RISKS RELATING TO THE ACQUISITION (CONTINUED)

### 12. Anticipated synergies and integration

There is a risk the anticipated benefits, cost savings and efficiencies associated with the Acquisition, may be achieved only in part, or not at all. This could impact carsales' financial performance and position, the future prospects of the Combined Business and the forecasts and prospective financial information regarding the Combined Business disclosed in this Presentation.

Without limiting the possible issues or challenges that could be faced in the further integration and consolidation of the Trader Interactive business, there may be issues with the integration of operating and management systems (such as IT, information, or accounting systems), challenges maintaining employee morale and attracting and motivating and retaining management personnel and other key employees, the possibility of faulty assumptions underlying expectations regarding the integration process, consolidating corporate and administrative infrastructures and eliminating duplicative operations and challenges that divert management attention or do not deliver the expected benefits of the Acquisition.

Many of these factors will be outside of Combined Business's control and these issues may cause unexpected delays, liabilities and costs to the Combined Business. Additionally, there are inherent risks in connection with the targeted potential synergies. For example, there is a risk that the targeted synergies of the Acquisition may be less than estimated or potential synergies are not achieved or take longer to achieve. If the integration of carsales and Trader Interactive takes longer than expected there may be delays in achieving the targeted potential synergies. In addition, carsales' initial estimate of the cost of integration may differ from the actual cost of integration. carsales may not be able to realise the targeted cost synergies and/or may not be able to increase its purchasing power or realise the benefits of a more efficient capital structure as a result of completion of the Acquisition.

Further, given the costs associated with implementing the targeted synergies, carsales' ability to realise the benefits is dependent, in part, on carsales and Trader Interactive having sufficient capital and other resources to complete the integration in the manner and time period contemplated. The estimated cost synergies from the Acquisition are predicative in character, may be affected by inaccurate assumptions or by known or unknown risks and uncertainties and may differ materially from results ultimately achieved. These risks may have a material impact on the operations, financial performance and/or financial position of the Combined Business and the future price of carsales' shares.

### 13. Change of control in Trader Interactive

The completion of the Acquisition will result in a change of control in Trader Interactive. Although carsales has conducted due diligence in connection with the Acquisition, there is a risk that the change of control may have an adverse impact on material contracts that Trader Interactive has entered into with third parties, including key customer and supplier agreements. Any loss of key merchants or contracts as a result of completion of the Acquisition may result in a material adverse impact to the operations, financial performance and/or financial position of the Combined Business.

## B. OFFER SPECIFIC RISKS

### 1. Dilution risk

As the Entitlement Offer is non-renounceable, the issue of New Shares will dilute the interests of ineligible shareholders. Moreover, eligible retail shareholders who do not participate or take up their full Entitlements under the Entitlement Offer will have their percentage holding in carsales diluted as a result of the Entitlement Offer. Eligible retail shareholders who do take up their full Entitlements under the Entitlement Offer will not have their percentage holding in carsales diluted. Further, in the future, carsales may elect to issue further shares or engage in offers to fund its operations, for working capital purposes or to fund other opportunities that carsales may decide to pursue. Shareholders at the time may also be diluted as a result of such issuances of shares.

### 2. Regulatory risk

carsales must comply with the applicable foreign securities laws and regulations in each jurisdiction in which the Entitlement Offer will be made available. Any breach of the relevant legal or regulatory obligations or failure to meet compliance requirements in any of the relevant foreign jurisdictions may have an adverse impact on the success of the Entitlement Offer, as well as the financial and operating position of carsales.

# Key Risks

## B. OFFER SPECIFIC RISKS (CONTINUED)

### 3. Risks associated with an investment in shares

There are general risks associated with investments in equity capital such as carsales shares and the stock market. The trading price of carsales shares may fluctuate with movements in equity capital markets in Australia and internationally. This may result in the market price for the new shares issued under the Entitlement Offer being more or less than the Offer Price. There is also considerable uncertainty as to the ongoing impact of COVID-19 on the Australian, United States, European and other economies and of the recent events involving Russia and Ukraine. Rising rates of inflation globally and the increase in interest rates by the Reserve Bank of Australia and the United States Federal Reserve is creating further uncertainty and instability in the Australian, United States, European and global economies and may impact the market price of carsales shares. Generally applicable factors that may affect the market price of carsales shares include:

- general movements in Australian and international stock markets;
- investor sentiment;
- Australian and international economic conditions and outlook;
- changes in government legislation and policies, in particular taxation laws;
- announcement of new technologies;
- geopolitical instability, including international hostilities and acts of terrorism;
- demand for and supply of carsales shares;
- announcements and results of competitors; and
- analyst reports.

The operational and financial performance and position of carsales and carsales' share price may be adversely affected by a worsening of general economic conditions in Australia, as well as international market conditions and related factors. No assurance can be given that the New Shares will trade at or above the Offer Price. None of carsales, its directors or any other person guarantees the market performance of carsales or of the New Shares.

It is also possible that new risks might emerge as a result of Australian or global markets experiencing extreme stress, or existing risks may manifest themselves in ways that are not currently foreseeable. Equity markets have in the past and may in the future be subject to significant volatility.

### 4. Exchange rate fluctuations

The proceeds that carsales will receive from the Entitlement Offer will be denominated in AUD. However, the purchase price payable by carsales under the Acquisition will be denominated in USD. Given there is expected to be a substantial period of time between the conclusion of the Entitlement Offer and the payment of the purchase price under the Acquisition, there is a risk that AUD/USD exchange rate fluctuations may result in the proceeds received by carsales under the Entitlement Offer having a lower USD value when the payment of the purchase price is made. There is a risk that carsales will need to access alternative sources of funds, including debt markets, in the future to pay any shortfall in the purchase price resulting from exchange rate fluctuations. Possible increases in the interest rate, the cost of interest rate hedges and the level of financial covenants required by lenders in these situations may also adversely impact the operational and financial results of the Combined Business if additional funds are required in this scenario.

### 5. Liquidity risk

Shareholders who wish to sell their New Shares may be unable to do so at an acceptable price, or at all, if insufficient liquidity exists in the market. There is no guarantee of the liquidity of the New Shares and there is a risk that shareholders may lose some of the money invested.

# Key Risks

## C. RISKS RELATED TO INVESTMENT IN CARSALES, INCLUDING POST COMPLETION OF THE TRANSACTION

### 1. Cyber security

The cyber threat to companies around the world is growing and unrelenting. As online businesses, carsales and Trader Interactive are not immune to these risks. A cyberattack or hack of carsales' or Trader Interactive's systems, including those of third party providers of information technology services to carsales, could have serious impacts on the Combined Business's reputation, operational and financial performance.

carsales and Trader Interactive collect personal information on its customers. Data or security breaches may compromise the ability of carsales to protect customer data, which could result in breaches of privacy laws and may damage the Combined Business's brand, reputation and consumer confidence. Further, laws relating to data privacy are evolving across all jurisdictions and any changes to standards may adversely impact carsales systems and operating procedures.

Both carsales' and Trader Interactive's businesses may be adversely affected by malicious third party applications that interfere with, or exploit, security flaws in its websites. Viruses, worms and other malicious software programs could, among other things, jeopardise the security of information stored in a user's computer or in carsales' or Trader Interactive's computer systems or attempt to change the internet experience of users by interfering with carsales' and Trader Interactive's ability to connect with its users.

If carsales', Trader Interactive's and consequently the Combined Business's efforts to combat these malicious applications are unsuccessful, or if its products and services have actual or perceived vulnerabilities, carsales' business reputation and brand name may be harmed and user traffic could decline, which may result in a material adverse effect on the Combined Business's operations, financial performance and/or financial position.

### 2. Reputational risks

The success of carsales and its businesses and associates around the world, including Trader Interactive, is heavily reliant on its reputation and branding. Unforeseen issues or events, which place carsales' reputation at risk, may impact its future growth and profitability.

### 3. Relationships with dealers and OEMs

carsales and the Combined Business derive a significant proportion of their revenue from motor vehicle dealers and automotive manufacturers (**OEMs**). A change in the size and/or structure of this market could impact the earnings of the Combined Business. In particular, consolidation of the dealer market with fewer, larger dealers or increased manufacturer control of dealers' online advertising activity may impact upon the financial performance of the Combined Business. In addition, a significant proportion of the revenue of the Combined Business is generated under monthly agreements with motor vehicle dealers. Should a significant number of dealers cancel or fail to renew their agreements, this may have an adverse effect on the financial performance of the Combined Business.

### 4. Competition

The online advertising industry for automobiles, commercial trucks, recreational vehicles, powersports and equipment industries is highly competitive. While carsales will undertake reasonable due diligence in its business decisions and operations, carsales will have no influence or control over the activities or actions of its competitors, whose activities or actions may positively or negatively affect the operating and financial performance of carsales and the Combined Business. For instance, new technologies could result in carsales' or Trader Interactive's various online platforms not being sufficiently differentiated to other similar offerings. The Combined Business's ability to develop additional online features could be adversely affected if it is unable to respond effectively and/or in a timely manner to the strategies and actions of competitors and potential competitors or the entry of new competitors into the market. This may in turn impede the financial condition and rate of growth of the Combined Business and its operations, financial performance and/or financial position.

### 5. Downturn in economy or advertising market

The performance of carsales and the Combined Business will continue to be influenced by the overall condition of the motor vehicle, commercial truck, recreational vehicle, powersports and equipment industries markets. These markets are influenced by the general condition of the Australian and US economies (along with others), which by their nature is cyclical and subject to change. In addition, carsales derives a significant proportion of its revenue from display advertisers on its network of websites. A decline or significant change in the advertising market as a result of broader economic influences or changing advertiser trends could have a negative impact on carsales' future earnings.

# Key Risks

### C. RISKS RELATED TO INVESTMENT IN CARSALES, INCLUDING POST COMPLETION OF THE TRANSACTION (CONTINUED)

#### 6. Information technology

The performance of the Combined Business's websites, apps, databases, IT and management systems is very important to the reputation of the Combined Business, its ability to attract customers and to achieve overall market acceptance of its services.

The Combined Business's websites and business operations rely on owned and third party IT infrastructure and systems, telecommunications operators, data centres and other third parties to maintain its websites and provide its products and services to customers. Any interruption to these operations, corruption to the databases or loss of customer data could impair the Combined Business's ability to operate its customer facing websites which could have a negative impact on the Combined Business's financial performance and reputation. The Combined Business's financial performance will also depend on its ability to monitor and manage major projects such as website upgrades and other projects involving its IT infrastructure.

Although the Combined Business's systems have been designed around industry standard architectures, they remain vulnerable to damage or interruption from earthquakes, floods, fires, power loss, telecommunication failures, terrorist attacks, computer viruses or similar events. The Combined Business's disaster recovery planning cannot account for all eventualities. The websites operated by carsales and Trader Interactive have experienced system failures in the past and may do so in the future. If frequent or persistent significant system failures are experienced on carsales' and Trader Interactive's websites, they may need to take steps to increase the reliability of its systems and invest in further or improved back-up systems. This could be expensive, reduce operating margins and may not be successful in reducing the frequency or duration of unscheduled downtime. It would also negatively impact the Combined Business's business reputation and brand name.

#### 7. Dependence on internet infrastructure

As online businesses, carsales and Trader Interactive are dependent on the ongoing maintenance of the global, regional and local internet infrastructure to provide the necessary data speed, capacity and security to allow it to offer viable services.

The internet has experienced significant growth in the number of users and amount of traffic. To the extent that the internet continues to experience increased numbers of users, there can be no assurance that the internet infrastructure will continue to be able to support the demands placed on it by continued growth. Any ongoing or serious disruptions to the performance of the internet in carsales' or Trader Interactive's respective markets will adversely affect the Combined Business's operations and growth plans and would damage its business reputation and brand name.

#### 8. Reliance on search engine marketing

A minority component of the revenue of carsales and the Combined Business is attributable to customers who access the Combined Business' website by clicking on links that the Combined Business paid to list on search engine results pages. From time to time, the Combined Business places bids on key words at a certain cost per click, the cost of which is subsequently paid to the search engine in order to place these listings with a search engine. The cost of search engine marketing generally increases as the importance of online advertising increases and competition to be ranked higher in paid listings increases. Furthermore, businesses might have to submit higher bids in order to purchase certain key words to offset a reduction in their click-through rate. This may occur if the Combined Business were to suffer negative publicity or if its market share were to decline, or if any other factor impacted on its brand or reputation. In addition, if the Combined Business were to experience a reduction in natural search visibility in search engines, it could increase the Combined Business' reliance on search engine marketing. The business, financial performance and operations of the Combined Business may be materially adversely affected by any increase in the cost of, or in reliance on, search engine marketing, or any decrease in the effectiveness of its search engine marketing.

#### 9. Litigation or disputes

In the ordinary course of business, carsales and the Combined Business may be involved in possible disputes. These disputes could give rise to litigation, the outcome of which could have a material adverse effect on their operations, financial performance and/or financial position. While the extent of any disputes and litigation cannot be ascertained at this time, any dispute or litigation may be costly and may adversely affect the operational and financial results of the Combined Business. There is also a risk that the Combined Business's reputation may suffer due to the profile and public scrutiny surrounding any such litigation and disputes regardless of their outcome.

# Key Risks

## C. RISKS RELATED TO INVESTMENT IN CARSALES, INCLUDING POST COMPLETION OF THE TRANSACTION (CONTINUED)

### 10. Intellectual Property

carsales and Trader Interactive regard substantial elements of their websites, software tools, applications, databases and underlying technology as proprietary. Despite precautionary measures, third parties may copy or otherwise obtain and use their respective proprietary information without authorisation or may develop similar technology independently. In addition, competitors may be able to design around their respective technologies or develop competing technologies substantially similar to those without any infringement of their proprietary rights. Any legal action the Combined Business may bring to protect its proprietary information could be unsuccessful and expensive and would divert management's attention from its business operations.

carsales and Trader Interactive are also subject to the risk of claims alleging infringement of third-party proprietary rights. If carsales or Trader Interactive infringes upon the rights of third parties, they may be unable to obtain licences to use those rights on commercially reasonable terms. Third parties that provide products and services that are critical to the Combined Business may be subject to similar claims, which could prevent them from continuing to provide these products and services. In either of these events, the Combined Business may be required to undertake substantial reengineering of its systems or processes in order to continue offering its services and it may not succeed in doing so. In addition, any claim of infringement could use substantial management time and result in the Combined Business incurring substantial costs to negotiate and resolve the claim. Furthermore, a party making such a claim could secure a judgment that requires carsales to pay substantial damages, which could adversely affect the Combined Business's operations, financial performance and/or financial position.

### 11. Electric vehicles

The number of electric vehicles being purchased is rapidly increasing. The average purchase price of an electric vehicle is currently greater than the average price of a conventional combustion engine vehicle. The engines of electric vehicles tend to last longer than the engines of traditional combustion engine vehicles. The increase in the sale of electric vehicles may result in consumers purchasing fewer vehicles and less frequent vehicle purchases by a consumer over their life. This could result in a decline in sales of traditional combustion engine vehicles, which includes commercial trucks and recreational vehicles, which could have an adverse financial impact on carsales and the Combined Business. Several electric vehicle manufacturers market and sell their products directly to consumers (e.g. Tesla) and this may extend to manufacturers of traditional combustion engine vehicles, which may have an adverse impact on the Combined Business' revenue that is generated from existing relationships with vehicle manufacturers and dealers.

### 12. Supply of vehicles

carsales' and Trader Interactive's ability to offer a wide variety of automotive and non-automotive products, including motor vehicles, commercial trucks, recreational vehicles, powersports and equipment products for sale are key contributors to the appeal of their respective business to customers. There is a risk that the Combined Business may be unable to continue to provide the same variety of products to customers if the number of motor vehicles, commercial trucks and recreational vehicles being supplied to the Australian market / US market (as applicable) by manufacturers decreases. This risk has been further heightened as a result of the conflict in Ukraine which has created shortages in the supply of essential items used in the manufacture of vehicles. This could adversely affect the operations, financial performance and/or financial position of the Combined Business.

### 13. Shift away from car ownership

carsales' core business offering relies on the desire of individuals to own a vehicle. There is a risk that with the increase in alternative options to individual vehicle ownership, for example, vehicle sharing services, there may be a shift away from individual vehicle ownership in the long term albeit during the COVID-19 pandemic this trend declined as individuals preferred to have their own vehicles. As the effects of the COVID-19 pandemic diminish, it may be likely that the trend towards individual car ownership increases in the future. This could adversely affect the operations, financial performance and/or financial position of carsales.

### 14. Insurance

Not all risks are insured or insurable. carsales cannot be certain that its current insurance is adequate or that adequate insurance coverage for potential losses and liabilities will be available in the future on commercially reasonable terms. If carsales experiences a loss in the future, the proceeds of the applicable insurance policies, if any, may not be adequate to cover replacement costs, lost revenues, increased expenses or liabilities to third parties. Additionally, carsales' current insurance policies may not cover newly acquired assets or businesses (including its investment in Trader Interactive) and/or such acquisition may involve a substantial increase in premium to achieve coverage. These risks may have a materially adverse effect on carsales' financial position and performance.

# Key Risks

### C. RISKS RELATED TO INVESTMENT IN CARSALES, INCLUDING POST COMPLETION OF THE TRANSACTION (CONTINUED)

#### 15. Expiry or termination of material contracts

carsales and Trader Interactive rely on service providers for a number of ongoing services, which if terminated might have significant financial and operational implications for their respective businesses. Whilst each party seeks to manage these arrangements, from time to time, in the ordinary course of business, material contracts will be terminated by the counterparty, expire or come up for renegotiations.

Whilst carsales and Trader Interactive carefully manages the replacement and renegotiation of material contracts and seeks to maintain positive relationships with counterparties, there is a risk that a counterparty may not be willing to enter into a further agreement or may seek to renegotiate the terms of the contract on less favourable terms for carsales. If any of the material contracts are terminated by the counterparty, not renewed or renegotiated on less favourable terms, it may have an adverse impact on the operations, financial performance and/or financial position of the Combined Business.

#### 16. Future acquisitions

carsales may consider future acquisitions where it believes they are supportive of carsales' growth strategy or are otherwise in the best interests of carsales. There are a number of potential risks associated with acquisitions, including but not limited to the integration of financial, operational and managerial resources. If the assets or businesses are not successfully integrated, this may have a material adverse effect on carsales' financial and operational performance.

In addition, while carsales will conduct due diligence on proposed acquisitions, there is no assurance that an acquisition will perform as forecast once fully integrated, or successfully achieve the desired objectives, including, where applicable, any synergies. Further, carsales may encounter unanticipated events, circumstances or legal liabilities in connection with any proposed acquisition, including risks with financing or refinancing any proposed acquisition.

#### 17. Key personnel

carsales relies on the talent and experience of its directors, key senior management (which will include those of Trader Interactive post completion of the Acquisition) and staff generally. The loss of any key personnel or a group of staff generally could cause disruption to the conduct of the Combined Business in the short term and may have a material adverse impact on the Combined Business' operations and/or financial performance. It may be difficult to replace key personnel, or to do so in a timely manner or at comparable expense.

#### 18. Culture and talent

Poor corporate culture can lead to, amongst other things, unethical practices, lack of trust, poor decision-making, increased employee turnover and reduced motivation. Any of these outcomes may have a material adverse impact on carsales' operations and financial performance. As with carsales' key personnel, the future success of carsales will depend substantially on its ability to attract and retain high quality staff and consultants. carsales relies on its highly capable staff to manage the operational, sales, compliance and other functions of its business. There is a risk that, if carsales is understaffed (or the workload of existing staff is unsustainable), carsales' operational and financial performance will suffer.

#### 19. International expansion

With the expansion of the business into new high growth international geographies, carsales becomes exposed to the macroeconomic environment of these markets as well as to fluctuations in exchange rates. carsales may not be able to fully recoup its investment in these markets should it not be able to accelerate the growth of its business through the implementation of carsales' business models, intellectual property and technologies.

#### 20. Regulatory risk

carsales must comply with wide ranging laws and regulations in each of the jurisdictions in which it operates, which include consumer protection laws. Changes to laws and regulations that apply to carsales and the Combined Business in any of the jurisdictions in which they operate may have a material adverse effect on carsales' and the Combined Business's financial position and prospects. Further, regulatory requirements in any of the jurisdictions in which carsales operates may become more burdensome in the future, which may result in the Combined Business being required to dedicate more time, resource and expenditure to ensure compliance. Any breach of the relevant legal or regulatory obligations or failure to meet compliance requirements may have an adverse impact on the financial performance and operating position of the Combined Business.

# Key Risks

## D. GENERAL RISKS

### 1. Dividends

The payment of dividends in respect of carsales' shares is impacted by several factors, including carsales' profitability, capital requirements and free cash flow. Any future dividends will be determined by carsales' board having regard to these factors, among others. There is no guarantee that any dividend will be paid by carsales, or if paid, paid at historical levels.

### 2. Macroeconomic conditions, including COVID-19

Adverse macroeconomic conditions could have an impact on the retail sector leading to lower demand for automotive and non-automotive products, which could adversely affect the Combined Business's operations, financial performance and/or financial position. Sustained periods of economic downturn leading to increased unemployment, higher cost of living and increased interest rates may also lead to lower demand, which could adversely affect the Combined Business's operations, financial performance and/or financial position.

The ongoing COVID-19 pandemic has had a significant impact on the global economy and the ability of individuals, businesses, and governments to operate. There continues to be considerable uncertainty as to the duration of and further impact of COVID-19 and related variants, including in relation to government, regulatory or health authority actions, work stoppages, lockdowns, quarantines and travel restrictions and the impact on the Australian, United States and global economy and share markets. The COVID-19 pandemic and related containment measures, as well as other macroeconomic events, including central bank policies to curb inflation and future government actions, may have an impact on customer purchasing appetite which could have an adverse impact on the Combined Business's financial performance / financial position, operations and success.

Overall, the Combined Business's financial performance, financial position and the price of carsales' shares may fluctuate due to various factors, including movements in domestic and international capital markets; recommendations by brokers and analysts; investor perceptions; interest and exchange rates; changes in government, inflation, fiscal, monetary and regulatory policies; prices of commodities; global geopolitical events (including the recent events involving Russia and Ukraine, which appear to have had a significant impact on financial markets causing general uncertainty in the market), hostilities and acts of terrorism, and other factors.

### 3. Rising inflation (vehicle costs)

Inflation is increasing globally. As inflation increases, this may result in prices of motor vehicles, commercial trucks and recreational vehicles increasing. It may also result in the prices of digital marketing solutions and services in connection with these products increasing. Inflation also increases manufacturing costs for vehicle manufacturers and these costs are passed on to consumers. If these prices increase, fewer consumers may be able to purchase vehicles. This may result in a reduction of the number of vehicles sold by manufacturers and dealers, which could have an adverse impact on the operations, financial performance and/or position of carsales and the Combined Business.

### 4. Rising inflation and staff shortages

Unemployment rates in Australia and the United States are currently among the lowest in history. This has increased the costs for employers of retaining existing staff and hiring new staff. The challenging labour market and increasing inflation (which increases the cost of living for employees) makes it more difficult to retain existing staff and hire new staff. The Combined Business relies on the quality and stability of its work force for performance. If inflation continues to rise and the labour market remains challenging, this may result in a decline in the Combined Business' financial performance, which could have an adverse impact on the operations, financial performance and/or position of the Combined Business.

### 5. Rising interest rates (vehicle sales)

Interest rates in Australia and the United States are increasing. Further, the Reserve Bank of Australia and the United States Federal Reserve have indicated that it is likely that interest rates will continue to increase in Australia and the United States respectively. Increasing interest rates may have several consequences for sales of motor vehicles, commercial trucks and recreational vehicles, including it being more difficult for consumers to obtain vehicle finance as lenders may require additional security or impose stricter requirements before advancing vehicle finance, vehicle finance being more expensive and for consumers with existing vehicle finance, the servicing of this debt could be more expensive. This could result in fewer vehicle sales by manufacturers and dealers, as well as fewer consumers being able to obtain vehicle finance, which could have an adverse financial impact on the operations, financial performance and/or position of the Combined Business.



# Key Risks

## D. GENERAL RISKS (CONTINUED)

### 6. Force majeure

In addition to the COVID-19 pandemic risks, events may occur within or outside Australia that could have an adverse effect on the global economies and carsales' share price. The events include hostilities (including the recent events involving Russia and Ukraine, which appear to have had a significant impact on financial markets causing general uncertainty in the market), acts of terrorism, civil wars, labour strikes, natural disasters or other man-made disasters.

### 7. Changes in tax rules or their interpretation

Changes in tax law, or changes in the way tax laws are interpreted may impact the tax liabilities of carsales and the Combined Business, shareholder returns, or the tax treatment of an investment. In particular, both the level and basis of taxation may change. Tax law is frequently being changed, both prospectively and retrospectively. Any actual or alleged failure to comply with, or any change in the application or interpretation of tax rules applied in respect of such transactions, may increase carsales' and the Combined Business's tax liabilities or expose it to legal, regulatory or other actions.

### 8. Australian online retail market

There is no guarantee that the Australian online retail market will continue to grow into the future, or as currently forecast. Growth in the Australian online retail market is expected to be driven partly by the migration of customers from traditional retail formats to online retail platforms. This factor is in part outside the control of online retailers, including carsales, and there is no guarantee that the migration of customers observed in recent years will continue in the future. If online penetration of the Australian retail market does not increase in line with carsales' expectations, carsales may not be able to acquire new customers or engage existing customers, and its business, financial condition and operating results may suffer.

### 9. Trading Patterns

carsales' financial performance depends in part on its ability to gauge and react to changing trading patterns in a timely manner. The change to trading patterns is further heightened as a result of COVID-19 and ongoing disruption which has created volatility in customer spending patterns. If carsales fails to react to changes in trading patterns in a timely manner, this may result in lower revenue and margins and could adversely impact carsales' financial and operational performance.

### 10. Changes in Australian Accounting Standards

Australian Accounting Standards are issued by the Australian Accounting Standards Board ("AASB") and are outside of the control of carsales and its directors. Any changes to the accounting standards or to the interpretation of those standards may have an adverse effect on the reported financial performance and position of carsales.

There is also a risk that interpretations of existing Australian Accounting Standards, including those relating to the measurement and recognition of key income statement and balance sheet items, including revenue and receivables, may differ. Changes to Australian Accounting Standards issued by the AASB or changes to the commonly held views on the application of those standards could materially adversely affect the financial performance and position reported in carsales' consolidated financial statements.

### 11. Currency risks

Revenue and expenditure in overseas jurisdictions are subject to the risk of fluctuations in foreign exchange markets. carsales carries on a large part of its business outside of Australia. Accordingly, revenues and payments will be made in those countries' currencies and may deviate from budgeted expectations if there are adverse currency fluctuations against the Australian dollar.

### 12. Heightened Geopolitical Risk

The ongoing Russia-Ukraine conflict has had and will continue to have a significant impact on vehicle manufacturers and dealers (e.g. shortages of critical materials, a slowing down of automotive electrification, disruptions to key supply chains, semi-conductor and electric vehicle battery manufacturing, and a reduction in catalytic converter production), resulting in a decline in the number of vehicles sold and car prices remaining high. This conflict has also created a significant degree of uncertainty in global markets, which could have an adverse impact on carsales.

[carsales@com.ltd](mailto:carsales@com.ltd)

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# Key Risks

## D. GENERAL RISKS (CONTINUED)

### 13. General Operating Risks

The performance of carsales may be subject to conditions beyond the control of its management, and these conditions may reduce sales of its services and/or increase costs of both current and future operations (e.g. unplanned shutdowns for an extended period of time, changes in legislative requirements, variation in timing of regulatory approvals, abnormal or severe weather or climatic conditions, natural disasters, fire and explosion events, disruption to transport operations due to a significant event or regulatory action, reputational issues, unexpected maintenance or technical problems, new technology failures and industrial disruption).

### 14. Climate Change

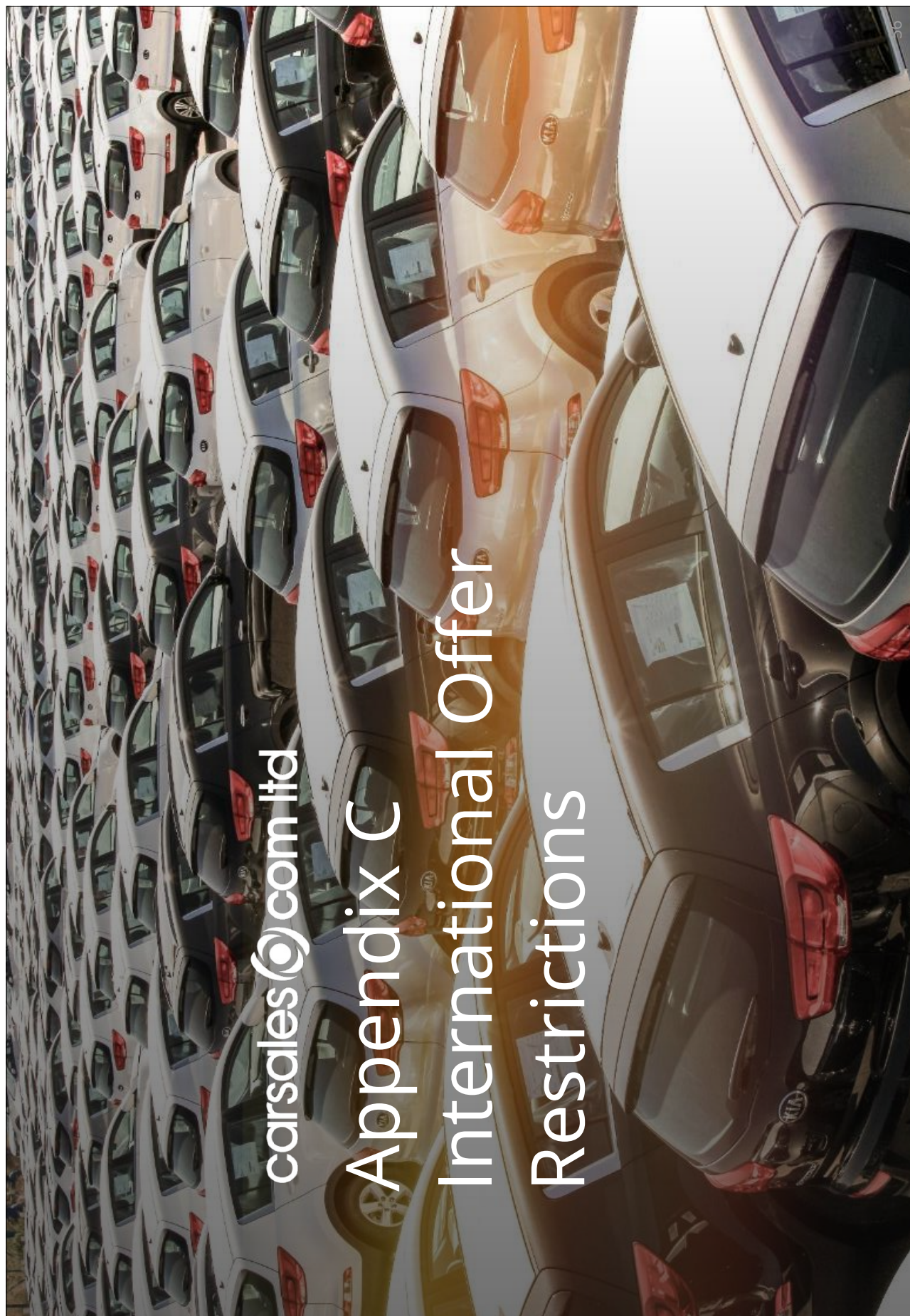
Carbon emissions from traditional combustion engine vehicles is one of the leading causes of global warming. For this reason, several governments have implemented measures to reduce these emissions (e.g. the introduction of mandatory catalytic converters). This area is evolving rapidly and governments are under significant pressure to make changes to reduce climate change and carbon emissions. These changes could result in an increase in the cost of vehicles, which is carried by the consumer, or other consequences that could have an adverse impact on the operations, financial performance and/or financial position of carsales.

### 15. Historical Acquisitions

In accordance with its growth strategy, carsales has undertaken several acquisitions in the past. At the time of each acquisition, carsales conducted due diligence. Despite this, it is possible that one or more issues or liabilities may not have been identified, or are of an amount greater than expected, and that the protections negotiated by carsales prior to the relevant acquisition are inadequate in the circumstances and may materially affect carsales and its business in the future.

## E. OTHER RISKS

The above risks should not be taken as a complete list of the risks associated with an investment in carsales. The risks outlined above and other risks not specifically referred to may in the future materially adversely affect the value of carsales securities and their performance. Accordingly, no assurance or guarantee of future performance or profitability is given by carsales and the Combined Business in respect of carsales shares.



# International Offer Restrictions

This document does not constitute an offer of new ordinary shares ("New Shares") of the Company in any jurisdiction in which it would be unlawful. In particular, this document may not be distributed to any person, and the New Shares may not be offered or sold, in any country outside Australia except to the extent permitted below.

## Canada (British Columbia, Ontario and Quebec provinces)

This document constitutes an offering of New Shares only in the Provinces of British Columbia, Ontario and Quebec (the "Provinces"), only to persons to whom New Shares may be lawfully distributed in the Provinces, and only by persons permitted to sell such securities. This document is not a prospectus, an advertisement or a public offering of securities in the Provinces. This document may only be distributed in the Provinces to persons who are "accredited investors" within the meaning of National Instrument 45-106 – Prospectus Exemptions, of the Canadian Securities Administrators.

No securities commission or authority in the Provinces has reviewed or in any way passed upon this document, the merits of the New Shares or the offering of the New Shares and any representation to the contrary is an offence.

No prospectus has been, or will be, filed in the Provinces with respect to the offering of New Shares or the resale of such securities. Any person in the Provinces lawfully participating in the offer will not receive the information, legal rights or protections that would be afforded had a prospectus been filed and received by the securities regulator in the applicable Province. Furthermore, any resale of the New Shares in the Provinces must be made in accordance with applicable Canadian securities laws. While such resale restrictions generally do not apply to a first trade in a security of a foreign, non-Canadian reporting issuer that is made through an exchange or market outside Canada, Canadian purchasers should seek legal advice prior to any resale of the New Shares.

The Company as well as its directors and officers may be located outside Canada and, as a result, it may not be possible for purchasers to effect service of process within Canada upon the Company or its directors or officers. All or a substantial portion of the assets of the Company and such persons may be located outside Canada and, as a result, it may not be possible to satisfy a judgment against the Company or such persons in Canada or to enforce a judgment obtained in Canadian courts against the Company or such persons outside Canada.

Any financial information contained in this document has been prepared in accordance with Australian Accounting Standards and also comply with International Financial Reporting Standards and interpretations issued by the International Accounting Standards Board. Unless stated otherwise, all dollar amounts contained in this document are in Australian dollars.

Statutory rights of action for damages and rescission. Securities legislation in certain Provinces may provide a purchaser with remedies for rescission or damages if an offering memorandum contains a misrepresentation, provided the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's Province. A purchaser may refer to any applicable provision of the securities legislation of the purchaser's Province for particulars of these rights or consult with a legal adviser.

Certain Canadian income tax considerations. Prospective purchasers of the New Shares should consult their own tax adviser with respect to any taxes payable in connection with the acquisition, holding or disposition of the New Shares as there are Canadian tax implications for investors in the Provinces.

Language of documents in Canada. Upon receipt of this document, each investor in Canada hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the New Shares (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. Par la réception de ce document, chaque investisseur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières décrites aux présentes (incluant, pour plus de certitude, toute confirmation d'achat ou tout avis) soient rédigés en anglais seulement.

# International Offer Restrictions

## European Union

This document has not been, and will not be, registered with or approved by any securities regulator in the European Union. Accordingly, this document may not be made available, nor may the New Shares be offered for sale, in the European Union except in circumstances that do not require a prospectus under Article 1(4) of Regulation (EU) 2017/1129 of the European Parliament and the Council of the European Union (the "Prospectus Regulation").

In accordance with Article 1(4)(a) of the Prospectus Regulation, an offer of New Shares in the European Union is limited to persons who are "qualified investors" (as defined in Article 2(e) of the Prospectus Regulation).

## Hong Kong

**WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the "SFO"). Accordingly, this document may not be distributed, and the New Shares may not be offered or sold, in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).

No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.

The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

## Japan

The New Shares have not been, and will not be, registered under Article 4, paragraph 1 of the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948), as amended (the "FIEL") pursuant to an exemption from the registration requirements applicable to a private placement of securities to Qualified Institutional Investors (as defined in and in accordance with Article 2, paragraph 3 of the FIEL and the regulations promulgated thereunder). Accordingly, the New Shares may not be offered or sold, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan other than Qualified Institutional Investors.

Any Qualified Institutional Investor who acquires New Shares may not resell them to any person in Japan that is not a Qualified Institutional Investor, and acquisition by any such person of New Shares is conditional upon the execution of an agreement to that effect.

# International Offer Restrictions

## New Zealand

This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the "FMC Act").

The New Shares are not being offered to the public within New Zealand other than to existing shareholders of the Company with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct (Incidental Offers) Exemption Notice 2021.

Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:

- is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
- meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
- is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
- is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
- is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

## Norway

This document has not been approved by, or registered with, any Norwegian securities regulator under the Norwegian Securities Trading Act of 29 June 2007 no. 75. Accordingly, this document shall not be deemed to constitute an offer to the public in Norway within the meaning of the Norwegian Securities Trading Act. The New Shares may not be offered or sold, directly or indirectly, in Norway except to "professional clients" (as defined in the Norwegian Securities Trading Act).

## Singapore

This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part 13 of the Securities and Futures Act 2001 of Singapore (the "SFA") or another exemption under the SFA.

This document has been given to you on the basis that you are an "institutional investor" or an "accredited investor" (as such terms are defined in the SFA). If you are not such an investor, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.

Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party in Singapore. On-sale restrictions in Singapore may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

# International Offer Restrictions

## Switzerland

The New Shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange or on any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the New Shares constitutes a prospectus or a similar notice, as such terms are understood under art. 35 of the Swiss Financial Services Act or the listing rules of any stock exchange or regulated trading facility in Switzerland.

No offering or marketing material relating to the New Shares has been, nor will be, filed with or approved by any Swiss regulatory authority or authorised review body. In particular, this document will not be filed with, and the offer of New Shares will not be supervised by, the Swiss Financial Market Supervisory Authority (FINMA).

Neither this document nor any other offering or marketing material relating to the New Shares may be publicly distributed or otherwise made publicly available in Switzerland. The New Shares will only be offered to investors who qualify as "professional clients" (as defined in the Swiss Financial Services Act). This document is personal to the recipient and not for general circulation in Switzerland.

## United Arab Emirates

This document does not constitute a public offer of securities in the United Arab Emirates and the New Shares may not be offered or sold, directly or indirectly, to the public in the UAE. Neither this document nor the New Shares have been approved by the Securities and Commodities Authority ("SCA") or any other authority in the UAE.

No marketing of the New Shares has been, or will be, made from within the UAE other than in compliance with the laws of the UAE and no subscription for any securities may be consummated within the UAE. This document may be distributed in the UAE only to "professional investors" (as defined in the SCA Board of Directors' Decision No.13/RM of 2021, as amended).

No offer or invitation to subscribe for New Shares is valid, or permitted from any person, in the Abu Dhabi Global Market or the Dubai International Financial Centre.

# International Offer Restrictions

## United Kingdom

Neither this document nor any other document relating to the offer has been delivered for approval to the Financial Conduct Authority in the United Kingdom and no prospectus (within the meaning of section 85 of the Financial Services and Markets Act 2000, as amended ("FSMA")) has been published or is intended to be published in respect of the New Shares.

The New Shares may not be offered or sold in the United Kingdom by means of this document or any other document, except in circumstances that do not require the publication of a prospectus under section 86(1) of the FSMA. This document is issued on a confidential basis in the United Kingdom to "qualified investors" within the meaning of Article 2(e) of the UK Prospectus Regulation. This document may not be distributed or reproduced, in whole or in part, nor may its contents be disclosed by recipients, to any other person in the United Kingdom.

Any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received in connection with the issue or sale of the New Shares has only been communicated or caused to be communicated and will only be communicated in the United Kingdom in circumstances in which section 21(1) of the FSMA does not apply to the Company.

In the United Kingdom, this document is being distributed only to, and is directed at, persons (i) who have professional experience in matters relating to investments falling within Article 19(5) (investment professionals) of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 ("FPO"), (ii) who fall within the categories of persons referred to in Article 49(2)(a) to (d) (high net worth companies, unincorporated associations, etc.) of the FPO or (iii) to whom it may otherwise be lawfully communicated (together "relevant persons"). The investment to which this document relates is available only to relevant persons. Any person who is not a relevant person should not act or rely on this document.

## United States

This document has been prepared for publication in Australia and may not be distributed or released in the United States. This document does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States or in any other jurisdiction. The New Shares described in this document have not been, and will not be, registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act") and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration of the U.S. Securities Act and applicable securities laws of any state or other jurisdiction of the United States.





**carsales.com Ltd**  
**Appendix D**  
**Summary Of**  
**Underwriting**  
**Agreement**

# Summary Of Underwriting Agreement

## SUMMARY OF UNDERWRITING AGREEMENT

carsales has entered into an underwriting agreement with the Underwriters in respect of the Entitlement Offer (the “**Underwriting Agreement**”).

The Underwriting Agreement contains customary representations and warranties and indemnities in favour of the Underwriters. The Underwriters’ obligations under the Underwriting Agreement, including to underwrite and manage the Entitlement Offer, are conditional on certain matters (which if not satisfied by the time required, entitles the Underwriters to terminate their obligations under the Underwriting Agreement).

- ASX announces that CAR will be removed from the official list or that its Shares will be removed from official quotation, or suspended, other than in connection with the Entitlement Offer;
- CAR alters its capital structure without the consent of the Underwriters;
- CAR or a material subsidiary of CAR is deemed insolvent or there is an act or omission which may result in CAR or a material subsidiary of CAR becoming insolvent;
- the chief executive officer or chief financial officer of CAR has their employment terminated by CAR for cause without the prior written consent of the Underwriters;
- CAR or any of its directors engage, or have engaged, in any fraudulent conduct or activity;
- a director or senior manager of CAR is charged with an indictable offence relating to financial or corporate matters, or a director of CAR is disqualified from managing a corporation;
- ASIC or any governmental agency charges or commences any court proceedings or public action against CAR or any of its directors, or announces that it intends to take action;
- a force majeure event occurs;
- CAR withdraws the Entitlement Offer or any part of it or indicates that it does not intend to or is unable to proceed with the Entitlement Offer;
- a certificate is not furnished when required to be furnished by CAR under the Underwriting Agreement;
- ASIC issues or threatens to issue proceedings in relation to the Entitlement Offer or commences any formal inquiry or investigation into the Entitlement Offer and such proceedings, inquiry or investigation is not withdrawn within 2 business days after it is made, or before settlement of the Institutional Entitlement Offer;
- there is an application to any government agency for any order, declaration or other remedy, or any other government agency commences a hearing or announces its intention to do so in connection with the Entitlement Offer and such application, investigation or hearing is not withdrawn within 2 business days after it is made, or before settlement of the Institutional Entitlement Offer;
- ASX refuses to grant approval for the official quotation of the New Shares or such approval is withdrawn, qualified or withheld before the date of the allotment or issue of the Shares;
- CAR becomes required to give or gives a correcting notice under sections 708AA(10) or 708AA(12) (as included by the ASIC Instruments);
- any event specified in the timetable is delayed without the prior written consent of the Underwriters; or
- a scheme of arrangement or reconstruction is announced by CAR which would result in a change in control of CAR.

## Termination Events

# Summary Of Underwriting Agreement

In addition, the Underwriters may terminate their obligations under the Underwriting Agreement if any of the following events has, or is likely to have, a material adverse effect on the success, marketing or settlement of the Entitlement Offer, the likely market price at which the New Shares will trade on ASX or, where the event leads or is likely to lead to a contravention by or liability of an Underwriter or its affiliates under the Corporations Act or any other applicable law:

- there is a change in the chief executive officer or chief financial officer of CAR for reasons other than having their employment terminated by CAR for cause, or there is any other change to CAR's Board of Directors;
- CAR or a subsidiary of CAR contravenes the Corporations Act, CAR's constitution, the Listing Rules or, in relation to the Entitlement Offer or the Proposed Transaction, any other applicable law;
- a furnished certificate contains a statement that is untrue, incorrect, or misleading or deceptive in any material respect;
- there is a general moratorium or material disruption on commercial banking activities in Australia, the United States of America, the United Kingdom or Hong Kong is declared by the relevant central banking authority;
- trading of all securities quoted on ASX, LSE, HSE, NASDAQ or NYSE is suspended or limited in a material respect;
- hostilities not present, or a major escalation in existing hostilities occurs involving any one or more of Australia, New Zealand, Canada, the United States or the United Kingdom, any member state of the European Union, Russia, Democratic People's Republic of Korea, Japan or the People's Republic of China, or terrorist act is perpetrated in any of those countries or chemical, nuclear or biological weapons of any sort are used in connection with or the military of any member state of NATO becomes directly involved in the Ukraine conflict that is ongoing as at the date of the Underwriting Agreement;
- there is a change in relevant law or policy in Australia which does or is likely to prohibit, regulate or materially inhibit the Entitlement Offer, capital markets or stock markets;
- ASIC or any other government agency commences or gives notice of an intention to prosecute or to commence a hearing or investigation of CAR (or any director or employee of CAR) and such prosecution, investigation or hearing becomes public or is not withdrawn within 2 business days after it is made, or before the settlement date of the Institutional Entitlement Offer;
- in the reasonable opinion of the Underwriters, an adverse new circumstance arises that would render the offer materials false, misleading or deceptive;
- a statement contained in the offer materials is or becomes misleading or deceptive (including by omission) or likely to mislead or deceive, or omit any information required under the Corporations Act, or any expression of opinion or intention in the offer materials is (or ceases to be) fairly and properly supportable, or there are no (or ceases to be) reasonable grounds for making any statements in the offer materials;
- an event or circumstance occurs or becomes known that would have required CAR to give ASX a correcting notice under sections 708AA(10) or 708AA(12) (as included by the ASIC Instruments) had the cleansing notice been lodged on the basis of information known at that time;
- an adverse change occurs in the financial position, operations or prospects of CAR from the position disclosed to the Underwriters or the information publicly available, or the offer documents prior to the date of the Underwriting Agreement (subject to certain exceptions);
- CAR fails to perform or observe any of its obligations under the Underwriting Agreement;

#### Termination Events

# Summary Of Underwriting Agreement

## Termination Events

- a representation, warranty or undertaking made or given by CAR under the Underwriting Agreement proves to be, or has been, or becomes, untrue or incorrect;
- any information supplied to the Underwriters prior to the Underwriting Agreement for the purpose of due diligence, the Entitlement Offer materials or the Entitlement Offer is, or becomes false, misleading or deceptive or likely to mislead or deceive (including by omission);
- an offer of Shares or transaction is announced which may result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% or more of the interests in CAR; or
- there is any adverse, or prospective adverse change or disruption to the financial markets, political or economic conditions of Australia, New Zealand, the United States, the United Kingdom or Hong Kong.

If the Underwriters terminate their obligations under the Underwriting Agreement, the Underwriters will not be obliged to perform any of their obligations that remain to be performed.

Termination of the Underwriting Agreement could have an adverse impact on the amount of proceeds raised under the Entitlement Offer. In these circumstances, carsales would need to utilise alternative funding to achieve its objectives described in this Presentation.

For details of the fees payable to the Underwriters in consideration for performing their obligations under the Underwriting Agreement, see the Appendix 3B released to ASX on 27 June 2022.

### 3 ASX Announcements continued



## ASX & Media Release

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Wednesday, 29 June 2022

### Completion of Institutional Component of Entitlement Offer

carsales.com Ltd ("**carsales**", ASX: CAR) is pleased to announce the successful completion of the institutional component ("**Institutional Entitlement Offer**") of its fully underwritten 1 for 4.16 pro-rata accelerated non-renounceable entitlement offer that was announced on Monday, 27 June 2022.

The Institutional Entitlement Offer raised approximately A\$842 million at the offer price of A\$17.75 ("**Offer Price**") per new share ("**New Share**") and was well supported by institutional shareholders with take-up of 90% by eligible institutional shareholders.

As announced on Monday, 27 June 2022, the proceeds from the capital raising will be used to acquire the remaining 51.0% interest in Trader Interactive for USD\$809 million<sup>1</sup>, or approximately AUD\$1,172 million<sup>2</sup> equivalent ("**Acquisition**").

carsales CEO Cameron McIntyre said "We are very pleased by the support demonstrated by institutional shareholders for the entitlement offer and their endorsement of the acquisition. We look forward to working with the Trader Interactive team to capture growth potential and realise value for our shareholders."

carsales ordinary shares are expected to resume trading on Wednesday, 29 June 2022 on an "ex-entitlement" basis.

New Shares to be issued under the Institutional Entitlement Offer will rank equally with existing CAR shares from the date of issue. Settlement of the New Shares under the Institutional Entitlement Offer is expected to occur on Tuesday, 5 July 2022, with the allotment expected to occur and ordinary trading of the New Shares expected to commence on Wednesday, 6 July 2022.

### Commencement of the Retail Entitlement Offer

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") is expected to raise approximately A\$365 million, which in conjunction with the Institutional Entitlement Offer would result in carsales raising approximately A\$1,207 million. The Retail Entitlement Offer will open on Friday, 1 July 2022 and close at 5:00pm (Melbourne time) Wednesday, 13 July 2022.

Under the fully underwritten Retail Entitlement Offer, eligible retail shareholders in Australia and New Zealand are being offered the opportunity to subscribe for 1 New Share for every 4.16 existing CAR ordinary shares held as at 7:00pm (Melbourne time) on Wednesday, 29 June 2022 ("**Record Date**") at the Offer Price.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet ("**Information Booklet**") and the accompanying personalised entitlement and acceptance form which are expected to be made available to eligible retail shareholders on Friday, 1 July 2022. Information Booklets and personalised entitlement and acceptance forms will be sent electronically to those eligible retail shareholders who have elected to receive electronic communications from carsales.

<sup>1</sup> Acquisition price calculated as 100% EV less net debt and other adjustments of US\$358m expected at completion, multiplied by 51% being the interest in Trader Interactive not owned by carsales and adjusted for payout of the management equity plan. The final Acquisition Price is subject to completion adjustments and may differ from the number reported in this announcement.

<sup>2</sup> Assumes an AUD / USD exchange rate of 0.69.

## 3 ASX Announcements continued

**“Eligible Retail Shareholders”** are shareholders who:

- have a registered address on the carsales register in Australia or New Zealand on the Record Date;
- are not in the United States and are not a person acting for the account or benefit of a person in the United States (to the extent such person holds shares for the account or benefit of such person in the United States);
- were not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
- are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, product disclosure document or offer document to be lodged or registered.

### Timetable

Event	T+	Date
Announcement of results of Institutional Entitlement Offer	2	Wednesday, 29 June 2022
Trading halt lifts and trading resumes on an ‘ex-entitlement’ basis	2	Wednesday, 29 June 2022
Record Date for the Retail Entitlement Offer	2	7:00pm on Wednesday, 29 June 2022
Retail Entitlement Offer opens and despatch of Information Booklet	4	Friday, 1 July 2022
Settlement of New Shares issued under the Institutional Entitlement Offer	6	Tuesday, 05 July 2022
Allotment and normal trading of New Shares issued under the Institutional Entitlement Offer	7	Wednesday, 6 July 2022
Retail Entitlement Offer closes	12	5:00pm on Wednesday, 13 July 2022
Announcement of results of Retail Entitlement Offer	14	Friday, 15 July 2022
Settlement of New Shares issued under the Retail Entitlement Offer	16	Tuesday, 19 July 2022
Allotment of New Shares issued under the Retail Entitlement Offer	17	Wednesday, 20 July 2022
Normal trading of New Shares issued under the Retail Entitlement Offer	18	Thursday, 21 July 2022
Holding statements in respect of New Shares issued under the Retail Entitlement Offer are dispatched	18	Thursday, 21 July 2022

### Additional information

Further details of the Acquisition and the Entitlement Offer are set out in the ASX announcement and Investor Presentation lodged with ASX on 27 June 2022.

**- ENDS -**

*Release authorised by Nicole Birman, Company Secretary*

*For media inquiries, please contact:*

*Cameron McIntyre*

*Managing Director and CEO*

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#### **About carsales.com Ltd**

Founded in 1997, carsales.com Ltd (ASX: CAR) operates the largest online automotive, motorcycle and marine classifieds business in Australia and Encar, the leading automotive business in South Korea. carsales wholly owns classifieds businesses in Mexico, Argentina and Chile and is a significant minority shareholder of webmotors in Brazil. carsales is regarded as one of Australia's original disruptors and has expanded to include a large number of market-leading brands. The carsales network is Australia's number one online destination for buying and selling cars, motorbikes, trucks, boats, caravans, and machinery equipment. carsales has world-leading technology and advertising solutions that can be leveraged across its businesses around the world.

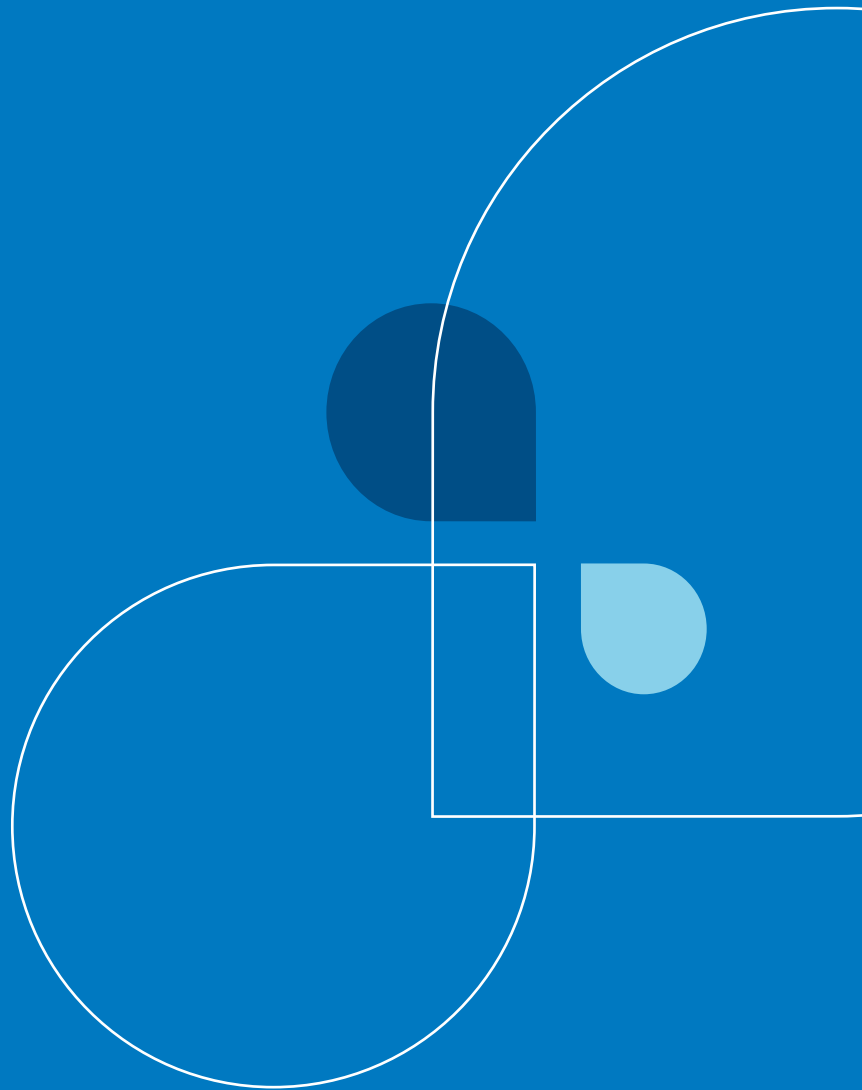
#### **Not for distribution or release in the United States**

This announcement does not constitute an offer to sell, or the solicitation of an offer to buy, securities in the United States. Neither the entitlements nor the New Shares have been, or will be, registered under the U.S. Securities Act of 1933, as amended ("**US Securities Act**") or the securities laws of any state or other jurisdiction of the United States. Accordingly, the entitlements may not be taken up or exercised by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States, except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and any other applicable securities laws of any state or other jurisdiction of the United States.



# 4

## Australian Tax Considerations



## 4 Australian Tax Considerations

This Section summarises certain Australian income tax, capital gains tax (**CGT**), goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for Eligible Retail Shareholders who hold their Existing Shares, Entitlements and New Shares on capital account.

This section is general in nature and does not take account of the individual circumstances of particular Eligible Shareholders and does not constitute tax advice. For instance, this section does not consider the position of Eligible Retail Shareholders who:

- are not resident solely in Australia for Australian income tax purposes;
- are in the business of security trading, or who hold their Existing Shares on revenue account or as trading stock (including shareholders such as banks, insurance companies and shareholders carrying on a business of security trading);
- are exempt from Australian income tax;
- acquired their Existing Shares under an employee share or option plan, or in return for services provided; or
- are subject, or have elected to become subject, to the Division 230 "Taxation of Financial Arrangements" (**TOFA**) provisions contained in the *Income Tax Assessment Act 1997* (Cth).

This Section does not purport to be a complete analysis of the potential tax consequences of the Retail Entitlement Offer and is intended only to provide a general guide to the Australian tax implications. Eligible Retail Shareholders (including those noted above) should seek advice from an appropriate professional advisor in relation to the tax implications (Australian and non-Australian, as applicable) of the Retail Entitlement Offer based on their own individual circumstances (including tax residency).

Neither CAR nor any of its officers or employees, nor its taxation and other advisers, accepts any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

The comments below are based on the Australian taxation legislation, case law and administrative practice adopted by the Australian Taxation Office (**ATO**) as it applies as at 9.00am (Melbourne time) on Friday, 1 July 2022. Other than as expressly discussed, the comments do not take into account or anticipate changes in Australian tax law or future judicial or administrative interpretations of tax law after this time unless otherwise specified.

### 4.1 Issue of Entitlement

The issue of the Entitlement should not in itself result in any amount being included in the assessable income of an Eligible Retail Shareholder.

### 4.2 Exercise of Entitlement

New Shares will be acquired where the Eligible Retail Shareholder exercises (i.e. takes up) all or part of their Entitlement under the Retail Entitlement Offer.

An Eligible Retail Shareholder should not derive any assessable income, or make any capital gain or capital loss, at the time of exercising their Entitlement under the Retail Entitlement Offer.

For Australian Capital Gains Tax purposes, New Shares should be taken to have been acquired on the day that an Eligible Retail Shareholder exercises their Entitlement.

The cost base of each New Share should include the Offer Price payable for each New Share (plus any non-deductible incidental costs the Eligible Retail Shareholder incurs in acquiring the New Shares). For CGT purposes, the Eligible Retail Shareholder should apportion the costs of acquiring each New Share over each of the Shares acquired on a reasonable basis. We recommend independent tax advice is obtained to determine the appropriate allocation.

## 4 Australian Tax Considerations continued

### 4.3 Lapse of Entitlement

If an Eligible Retail Shareholder does not accept all or part of their Entitlement in accordance with the instructions, that Entitlement will lapse and the Eligible Retail Shareholder will not receive any consideration for their Entitlement that is not taken up. There should be no tax implications for an Eligible Retail Shareholder from the lapse of the Entitlement.

### 4.4 Distributions on New Shares

Any future dividends or other distributions made in respect of New Shares should generally be subject to the same income tax treatment as dividends or other distributions made on Existing Shares held in the same circumstances.

### 4.5 Disposal of New Shares

As each share comprising the Retail Entitlement Offer is a separate CGT asset, the disposal of New Shares should constitute a disposal for CGT purposes. Accordingly, the capital proceeds referable to the disposal of each individual Share should be determined by apportioning the total capital proceeds received from the disposal of the New Shares on a reasonable basis. We recommend independent tax advice is obtained to determine the appropriate allocation.

On disposal of a New Share, an Eligible Retail Shareholder should:

- make a net capital gain if the capital proceeds received on disposal exceed the total cost base of the New Share; or
- make a net capital loss if the capital proceeds are less than the total reduced cost base of the New Share.

Eligible Retail Shareholders that are individuals, trustees or complying superannuation entities and that have held their New Shares for at least 12 months prior to disposal should be entitled to apply the applicable CGT discount factor to reduce the capital gain (after offsetting available capital losses). The CGT discount factor is 50% for individuals and trustees and 33.33% for complying superannuation entities. The CGT discount is not available to companies that are not trustees. Trustees should seek specific tax advice regarding the tax consequences arising as a result of discount capital gains.

For the purpose of determining whether the New Shares have been held for 12 months or more, Eligible Retail Shareholders should be taken to have acquired them when they exercised their Entitlement under the Retail Entitlement Offer.

Eligible Retail Shareholders that make a capital loss can only use that loss to offset other capital gains from other sources (i.e. the capital loss cannot be used against taxable income on revenue account). However, if the capital loss cannot be used in a particular income year it may be carried forward for use in future income years, noting that depending on the tax profile of the relevant Eligible Retail Shareholder (e.g. a corporate shareholder that is not a trustee), certain loss utilisation tests may need to be satisfied prior to utilisation of the capital loss.

### 4.6 Taxation of Financial Arrangements

The TOFA provisions operate to make assessable or deductible, gains or losses from certain 'financial arrangements' (importantly, the CGT discount is not available for any gain that is subject to the TOFA provisions). A right to receive a share is a 'financial arrangement', however, depending on the facts and circumstances of a particular Eligible Retail Shareholder, the TOFA provisions may not apply. Eligible Retail Shareholders should seek advice from an appropriate professional advisor in relation to the implications of the TOFA provisions.

## 4.7 Non-resident CGT withholding

The Foreign Resident Capital Gains Withholding (**FRCGW**) rules can apply to the disposal of certain taxable Australian property, an indirect Australian real property interest or an option or right to acquire such property or interest, whereby a 12.5% non-final withholding tax may be applied.

For Eligible Retail Shareholders who receive and/or dispose of their New Shares, the FRCGW rules generally should not apply. A Share in CAR, or option/right to acquire such a Share, generally should not be a relevant interest to which the FRCGW rules apply having regard to the nature of CAR's business and assets (i.e. CAR's value is not principally derived from Australian real property). In addition, the FRCGW rules should not apply to the disposal of New Shares on the ASX (in accordance with a specific exemption).

It is recommended that Eligible Retail Shareholders and Ineligible Retail Shareholders consider the application of the FRCGW rules to their own individual circumstances (having regard to the circumstances of CAR and the Retail Entitlement Offer) in consultation with their professional advisor(s) and satisfy the requirements of the FRCGW rules where necessary.

## 4.8 Withholding taxes

CAR may be required to withhold tax from Eligible Retail Shareholders on payments of dividends that are not fully franked at the specified rate (currently 47%), and remit such amounts to the ATO, unless the Eligible Retail Shareholder has provided an Australian Business Number (**ABN**), Tax File Number (**TFN**), or they have informed CAR that they are exempt from quoting their ABN or TFN.

Eligible Retail Shareholders are not required to provide their ABN or TFN to CAR, however they may choose to do so. If an Eligible Retail Shareholder has quoted their ABN or TFN to CAR, or an exemption from quoting their TFN exists and CAR has been informed, this quotation or exemption should also apply in respect to any New Shares acquired by that Eligible Retail Shareholder.

Australian tax resident shareholders are able to provide their TFN or ABN online at [www.computershare.com.au/easyupdate/car](http://www.computershare.com.au/easyupdate/car). When providing your details online, you will be required to enter your Securityholder Reference Number (**SRN**) or Holder Identification Number (**HIN**) as shown on your issuer sponsored holding statement or CHESS holding statement (as applicable) and other personal details.

Eligible Retail Shareholders may be able to claim an income tax credit/refund (as applicable) in their income tax returns in respect of any tax withheld.

## 4.9 Tax File Number

If an Eligible Retail Shareholder has quoted their Australian Business Number (**ABN**), Tax File Number (**TFN**) or an exemption from quoting their TFN exists, this quotation or exemption will also apply in respect to any New Shares acquired by that Eligible Retail Shareholder.

## 4.10 Goods and Services Tax (GST)

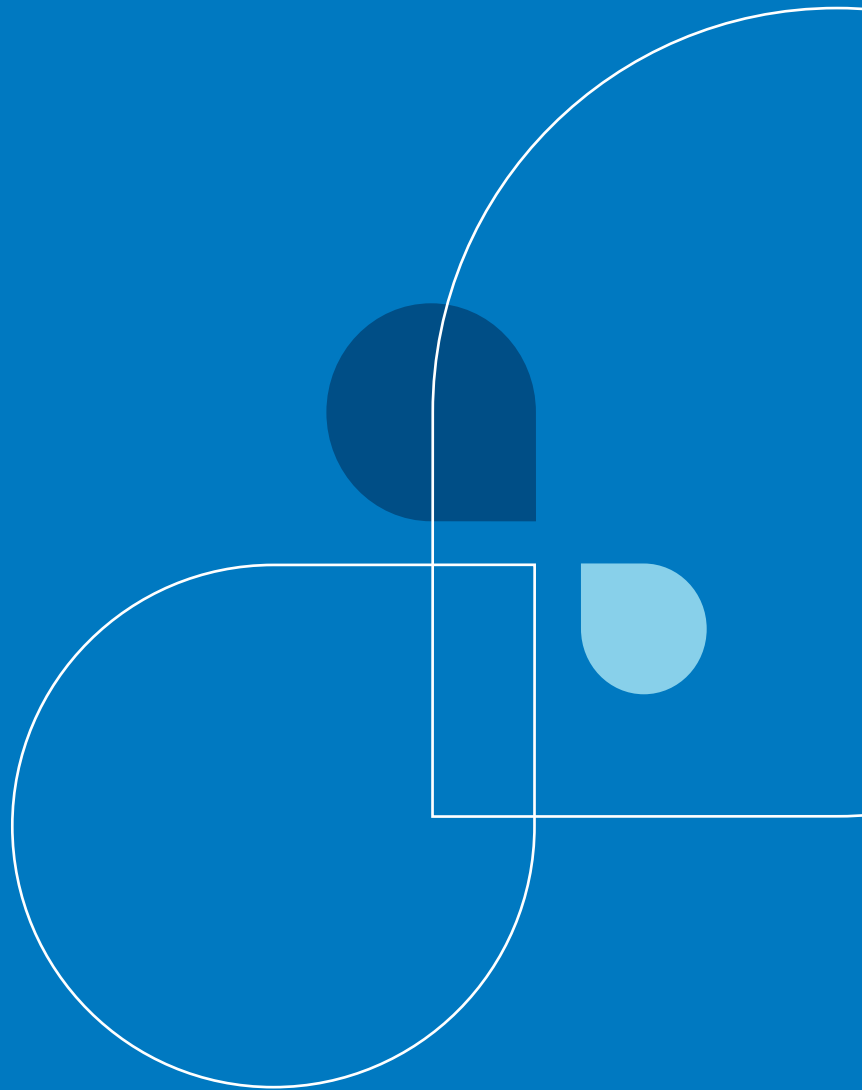
The taking up of the New Shares should be classified as a "financial supply" for Australian GST purposes. Accordingly, Australian GST should not be payable in respect of amounts paid for the purchase of the New Shares. Subject to certain requirements, there may be a restriction on the entitlement of Eligible Retail Shareholders to claim an input tax credit for any GST incurred on costs associated with the acquisition of New Shares.

## 4.11 Stamp duty

No stamp duty should be payable in respect of the taking up of New Shares.

# 5

## Important Information



## 5 Important Information

This Information Booklet (including the ASX Announcements in Section 3) and your personalised Entitlement and Acceptance Form have been prepared by CAR.

This Information Booklet is dated Friday, 1 July 2022 (other than the Investor Presentation, the announcement of the Entitlement Offer and completion of Institutional Entitlement Offer published on the ASX website on Monday, 27 June 2022 and Wednesday, 29 June 2022, respectively). The information contained in this Information Booklet remains subject to change without notice and CAR is not responsible for updating this Information Booklet.

There may be additional announcements made by CAR after the date of this Information Booklet and throughout the Retail Entitlement Offer Period that may be relevant to your consideration of whether to take up or do nothing in respect of your Entitlement. Therefore, it is prudent that you check whether any further announcements have been made by CAR (by visiting the ASX website at [www.asx.com.au](http://www.asx.com.au)) before submitting your Entitlement and Acceptance Form to take up your Entitlement or before making a decision to allow your Entitlement to lapse.

No party other than CAR has authorised or caused the issue of this Information Booklet, or takes any responsibility for, or makes, any statements, representations or undertakings in this Information Booklet.

### **This Information Booklet is important and requires your immediate attention.**

You should read this Information Booklet carefully and in its entirety before deciding how to deal with your Entitlement. In particular, you should consider the risk factors outlined in the 'Key Risks' Section of the Investor Presentation included in Section 3 of this Information Booklet, any of which could affect the operating and financial performance of CAR or the value of an investment in CAR.

You should consult your professional adviser to evaluate whether or not to participate in the Retail Entitlement Offer.

CAR may (in its absolute discretion) extend the Retail Entitlement Offer to any institutional shareholder that was eligible to participate in the Institutional Entitlement Offer but was not invited to participate in the Institutional Entitlement Offer (subject to compliance with relevant laws).

### 5.1 Trading of New Shares

It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving written confirmation of their holding will do so at their own risk.

CAR and the Underwriters disclaim all liability whether in negligence or otherwise (to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statement, whether on the basis of confirmation of the allocation provided by CAR, the Share Registry or the Underwriters.

If you are in any doubt as to these matters, you should first consult with your professional adviser.

### 5.2 Eligible Retail Shareholders

This Information Booklet contains an offer of New Shares to Eligible Retail Shareholders with a registered address in Australia and New Zealand and has been prepared in accordance with section 708AA of the Corporations Act as notionally modified by *ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84*. Accordingly, neither this Information Booklet nor the Entitlement and Acceptance Form are required to be lodged or registered with ASIC and no prospectus for the Entitlement Offer will be prepared. These documents do not contain, or purport to contain, all of the information that a prospective investor may require in evaluating a possible investment in CAR. They do not and are not required to contain all of the information which would be required to be disclosed in a prospectus.

Shareholders who are not Eligible Retail Shareholders are Ineligible Retail Shareholders. CAR reserves the right to determine whether a Shareholder is an Eligible Retail Shareholder or an Ineligible Retail Shareholder.

## 5 Important Information continued

### 5.3 Ineligible Retail Shareholders

CAR has decided that it is unreasonable to make offers under the Retail Entitlement Offer to shareholders who have registered addresses outside Australia and New Zealand. CAR has had regard to the number of such holders in those places and the number and value of the New Shares that they would be offered, and the cost of complying with the relevant legal and regulatory requirements in those places.

Ineligible Retail Shareholders are not eligible to participate in the Retail Entitlement Offer due to securities laws restrictions on the offer of New Shares in certain jurisdictions.

### 5.4 Eligible Institutional Shareholders

Eligible Institutional Shareholders are institutional shareholder to whom the Underwriters made an offer on behalf of CAR under the Institutional Entitlement Offer.

### 5.5 Ranking of New Shares

New Shares issued under the Retail Entitlement Offer will be fully paid and rank equally in all respects with Existing Shares from the date of issue. The rights and liabilities attaching to the New Shares are set out in CAR's constitution, a copy of which is available online at CAR's website: <https://shareholder.carsales.com.au/charters/>.

### 5.6 Risks

An investment in New Shares is subject to investment and other known and unknown risks, uncertainties and assumptions, many of which are beyond the control of CAR and its board, including the risks described in the Investor Presentation included in Section 3 of this Information Booklet, which could cause actual results, performance or achievements to differ materially from future results, performance or achievements expressed or implied by any forward-looking statements in this Information Booklet. Neither CAR, its officers, employees, agents, associates and advisers, nor any other person, warrants or guarantees the future performance of the New Shares, any particular rate of return, the performance of CAR, the repayment of capital from CAR or any particular taxation treatment. In considering an investment in the New Shares, you should have regard to (among other things) the risks and disclaimers outlined in this Information Booklet.

You should refer to the 'Key Risks' Section of the Investor Presentation (included in Section 3 of this Information Booklet) which details important factors and risks that could affect the financial and operating performance of CAR. You should consider these factors in light of your personal circumstances, including financial and taxation issues, before making a decision in relation to your Entitlement.

### 5.7 Reconciliation and the rights of CAR and the Underwriters

The Retail Entitlement Offer is a complex process and in some instances investors may believe that they will own more Shares than they ultimately did as at the Record Date or are otherwise entitled to more New Shares than initially offered to them. These matters may result in a need for reconciliation. If reconciliation is required, it is possible that CAR may need to issue additional New Shares to ensure that the relevant investors receive their appropriate allocation of New Shares. These additional New Shares would be issued, if required, at the Offer Price.

CAR also reserves the right to reduce the size of an Entitlement or number of New Shares allocated to Eligible Institutional Shareholders or Eligible Retail Shareholders, or persons claiming to be Eligible Institutional Shareholders or Eligible Retail Shareholders or other applicable investors, if CAR believes in its complete discretion that their claims are overstated or if they or their nominees fail to provide information requested to substantiate their claims. In that case, CAR may, in its discretion, require the relevant shareholder to transfer excess New Shares to the Underwriters at the Offer Price per New Share. If necessary, the relevant Shareholder may need to transfer Existing Shares held by them or to purchase additional Shares on-market to meet this obligation. The relevant Shareholder will bear any and all losses caused by subscribing for New Shares in excess of their Entitlement and any actions they are required to take in this regard.

By applying under the Retail Entitlement Offer, those doing so irrevocably acknowledge and agree to do the above as required by CAR in its absolute discretion. Those applying acknowledge that there is no time limit on the ability of CAR nor the Underwriters to require any of the actions set out above.

## 5.8 No cooling off rights

Cooling off rights do not apply to an investment in New Shares. You cannot withdraw your Application once it has been submitted.

## 5.9 Rounding of Entitlements

Where fractions arise in the calculation of an Entitlement, they will be rounded up to the nearest whole number of New Shares.

## 5.10 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees and custodians with registered addresses in Australia and New Zealand, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Existing Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder. Where any holder is acting as a nominee for a foreign person, that holder, in dealing with its beneficiary, will need to assess whether indirect participation by the beneficiary in the Retail Entitlement Offer is compatible with applicable foreign laws, including as discussed in this Information Booklet.

If CAR believes that you hold Shares as a nominee or custodian you will have received, or will shortly receive, a letter in respect of the Retail Entitlement Offer. Nominees and custodians should consider carefully the contents of that letter and note in particular that the Retail Entitlement Offer is not available to Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not) and others who were treated as Ineligible Institutional Shareholders under the Institutional Entitlement Offer.

Persons acting as nominees or custodians for other persons must not take up any Entitlements on behalf of, or send this Information Booklet (or any part of it) or any other documents related to the Retail Entitlement Offer to, any person in the United States or any person that is acting for the account or benefit of a person in the United States. Persons in the United States and persons acting for the account or benefit of persons in the United States (to the extent such persons are acting for the account or benefit of persons in the United States) will not be able to take up any of their Entitlements and may receive no value for any such Entitlements held.

Nominees and custodians may not distribute any part of this Information Booklet, or take up Entitlements on behalf of persons, in the United States or in any other country outside Australia or New Zealand except to beneficial shareholders who are professional or institutional shareholders in other countries (other than the United States) where CAR may determine it is lawful and practical to make the Retail Entitlement Offer.

CAR is not required to determine whether or not any registered holder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of Existing Shares or Entitlements.

## 5.11 Not investment advice

This Information Booklet is not a prospectus under the Corporations Act and has not been lodged with ASIC. It is also not financial product advice and has been prepared without taking into account your investment objectives, financial circumstances or particular needs. CAR is not licensed to provide financial product advice in respect of the New Shares. This Information Booklet does not purport to contain all the information that you may require to evaluate a possible Application for New Shares, nor does it purport to contain all the information which would be required in a prospectus prepared in accordance with the requirements of the Corporations Act. It should be read in conjunction with CAR's other periodic statements and continuous disclosure announcements lodged with ASX, which are available at [www.asx.com.au](http://www.asx.com.au).



## 5 Important Information continued

Prospective investors should conduct their own independent investigation and assessment of the Retail Entitlement Offer and the information contained in, or referred to in, this Information Booklet. An investment in CAR is subject to investment risk including possible loss of income and principal invested. Before deciding whether to apply for New Shares, you should consider all materials sent to you in relation to the Retail Entitlement Offer and any relevant materials lodged with ASX, and whether the New Shares are a suitable investment for you in light of your own investment objectives, financial circumstances and investment needs (including financial and taxation issues) and having regard to the merits or risks involved (including the 'Key Risks' set out in the Investor Presentation included in Section 3 of this Information Booklet). If, after reading the Information Booklet, you have any questions about the Retail Entitlement Offer, you should contact your professional adviser or call the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period. Alternatively, if you are located in Australia or New Zealand, you can also visit the Entitlement Offer Website: [www.carsalesoffer.com.au](http://www.carsalesoffer.com.au).

### 5.12 Quotation and trading

CAR will apply to ASX for official quotation of the New Shares in accordance with the Listing Rule requirements. If ASX does not grant quotation of the New Shares, CAR will repay all Application Money (without interest).

Subject to quotation being granted, it is expected that normal trading of New Shares allotted under the Retail Entitlement Offer will commence on Thursday, 21 July 2022.

### 5.13 Continuous disclosure

CAR is a "disclosing entity" under the Corporations Act and is subject to regular reporting and disclosure obligations under the Corporations Act and the Listing Rules, including the preparation of annual reports and half yearly reports.

CAR is required to notify ASX of information about specific events and matters as they arise for the purposes of ASX making that information available to the stock markets conducted by ASX. In particular, CAR has an obligation under the Listing Rules (subject to certain exceptions) to notify ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of CAR's Shares. That information is available to the public from ASX.

Some documents are required to be lodged with ASIC in relation to CAR. These documents may be obtained from, or inspected at, an ASIC office.

### 5.14 Information Booklet availability

If you are in Australia or New Zealand, you can call the Offer Information Line on 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period to order a copy of this Information Booklet, or visit the Entitlement Offer Website: [www.carsalesoffer.com.au](http://www.carsalesoffer.com.au).

If you access the electronic version of this Information Booklet, you should ensure that you download and read the entire Information Booklet.

### 5.15 Foreign jurisdictions

This Information Booklet has been prepared to comply with the requirements of the securities laws of Australia. To the extent that you hold Shares or Entitlements on behalf of another person resident outside Australia, it is your responsibility to ensure that any participation (including for your own account or when you hold Shares or Entitlements beneficially for another person) complies with all applicable foreign laws and that each beneficial owner on whose behalf you are submitting the personalised Entitlement and Acceptance Form is not in the United States and not acting for the account or benefit of a person in the United States.

The New Shares are not being offered or sold to the public within New Zealand other than to existing Shareholders of CAR with registered addresses in New Zealand to whom the offer of New Shares is being made in reliance on the *Financial Markets Conduct (Incidental Offers) Exemption Notice 2018* (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority. This document is not an investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that an investment statement or prospectus under New Zealand law is required to contain.

CAR has determined that it is unreasonable to extend the Retail Entitlement Offer to Ineligible Retail Shareholders because of the small number of such Shareholders, the number and value of Shares that they hold and the cost of complying with the applicable regulations in jurisdictions outside Australia and New Zealand.

This Information Booklet does not constitute an offer in any jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer. No action has been taken to register or qualify the Retail Entitlement Offer, the Entitlements or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia.

The distribution of this Information Booklet (including an electronic copy) outside Australia is restricted by law. If you come into possession of this Information Booklet, you should observe such restrictions. See the foreign selling restrictions set out in the "International Offer Restrictions" Section of the Investor Presentation included in Section 3 of this Information Booklet for more information.

Any non-compliance with these restrictions may contravene applicable securities laws.

## 5.16 Underwriting of Entitlement Offer

CAR has entered into an underwriting agreement (**Underwriting Agreement**) with Morgan Stanley Australia Securities Limited ABN 55 078 652 276, Goldman Sachs Australia Pty Ltd ABN 21 006 797 897 and UBS Securities Australia Ltd ABN 62 008 586 481 who have agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the Underwriting Agreement.

The obligation on the Underwriters to underwrite the Entitlement Offer is conditional on certain customary matters, including CAR delivering certain certificates, sign-offs and opinions to the Underwriters.

Additionally, an Underwriter may (in certain circumstances having regard to the materiality of the relevant event) terminate the Underwriting Agreement and be released from its obligations under it on the occurrence of certain events, which are set out in the "Summary of Underwriting Agreement" Section of the Investor Presentation included in Section 3 of this Information Booklet.

The Underwriters will be paid:

- (a) a 1.60% underwriting fee; and
- (b) a 0.40% management fee,

on the proceeds of the Entitlement Offer. The Underwriters will also be reimbursed for certain expenses.

## 5.17 Governing Law

This Information Booklet, the Retail Entitlement Offer and the contracts formed on acceptance of the Retail Entitlement Offer pursuant to your personalised Entitlement and Acceptance Form are governed by the laws applicable in Victoria, Australia. Each applicant for New Shares submits to the non-exclusive jurisdiction of the courts of Victoria, Australia.

## 5.18 Disclaimer of representations

No person is authorised to give any information, or to make any representation, in connection with the Retail Entitlement Offer that is not contained in this Information Booklet.

Any information or representation that is not in this Information Booklet may not be relied on as having been authorised by CAR, or its related bodies corporate, in connection with the Retail Entitlement Offer. Except as required by law, and only to the extent so required, neither CAR, nor any other person, warrants or guarantees the future performance of CAR or any return on any investment made pursuant to this Information Booklet or its content.

## 5 Important Information continued

### 5.19 Withdrawal of the Retail Entitlement Offer

CAR reserves the right to withdraw all or part of the Retail Entitlement Offer and this Information Booklet at any time, subject to applicable laws, in which case CAR will refund Application Money in relation to New Shares not already issued in accordance with the Corporations Act and without payment of interest. In circumstances where allotment under the Institutional Entitlement Offer has occurred, CAR may only be able to withdraw the offer with respect to New Shares to be issued under the Retail Entitlement Offer.

To the fullest extent permitted by law, you agree that any Application Money paid by you to CAR will not entitle you to receive any interest and that any interest earned in respect of Application Money will belong to CAR.

### 5.20 Privacy

As a Shareholder, CAR and the Share Registry have already collected certain personal information from you (which includes your name, mailing address, details of your shareholding, number of Entitlements granted, and bank account details). If you apply for New Shares, CAR and the Share Registry may update that personal information or collect additional personal information for the purposes of:

- processing your Application and assessing your acceptance of the New Shares;
- servicing your needs as a Shareholder and providing facilities and services that you request; and
- carrying out appropriate administration.

This Retail Entitlement Offer is a rights issue in accordance with the Corporations Act, and CAR is required to collect personal information about you under the Corporations Act and Australian taxation laws as part of this offer. If you do not provide your personal information, CAR may be hindered in, or prevented from, processing your Application.

By accepting the Retail Entitlement Offer and submitting an Entitlement and Acceptance Form, you will be providing personal information to CAR (directly or through the Share Registry). CAR collects, holds and will use that information to assess your Application. CAR collects your personal information to process and administer your shareholding in CAR and to provide related services to you. CAR may disclose your personal information for purposes related to your shareholding in CAR, including to the Share Registry, CAR's related bodies corporate, agents, contractors and third party service providers (including mailing houses and professional advisers) and to ASX and regulatory bodies. You can obtain access to personal information that CAR holds about you.

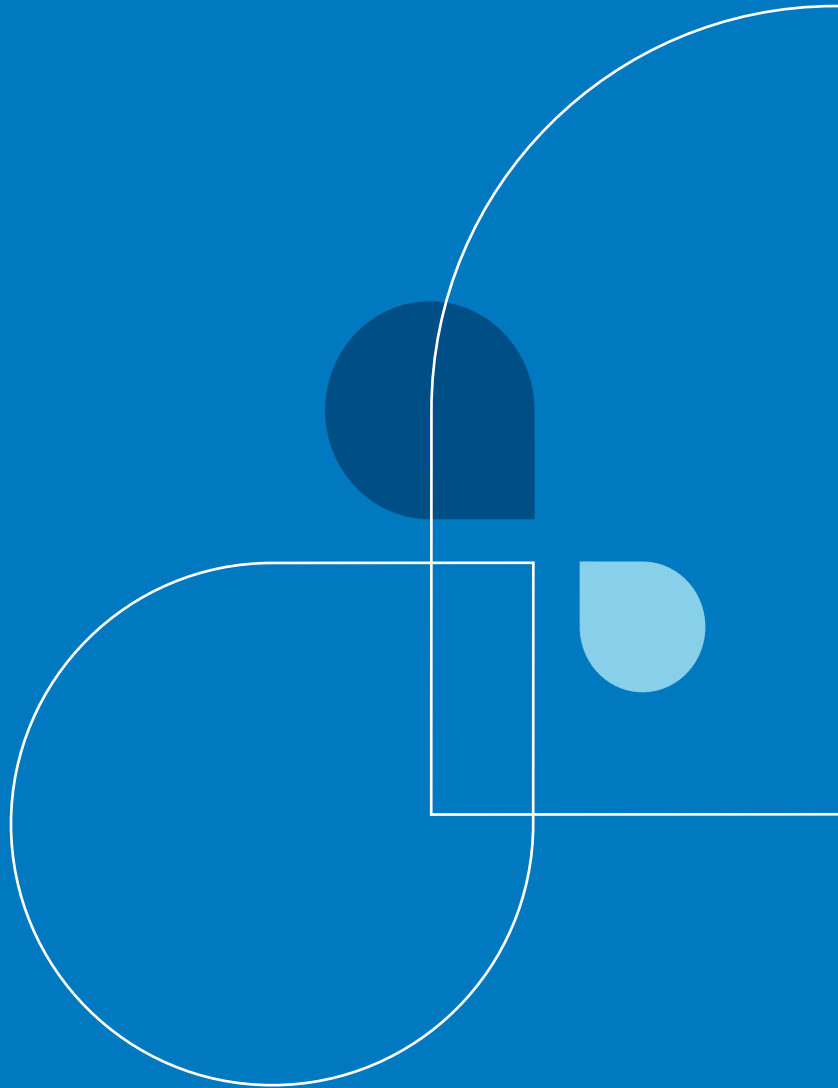
Where personal information is disclosed, CAR will seek to ensure that the information is held, used or disclosed consistently with the *Privacy Act 1988* (Cth) and any other applicable privacy laws and codes.

CAR's privacy policy is available on its website: <https://www.carsales.com.au/info/privacy-policy> (**Privacy Policy**). CAR's Privacy Policy provides more information on how CAR stores and uses your personal information, and how you may access and correct your personal information. CAR's Privacy Policy also provides information on how you can lodge a complaint regarding CAR's handling of your personal information and how CAR will handle any such complaint.

To make a request for access to your personal information held by (or on behalf of) CAR, please contact CAR through the Share Registry.

# 6

## Glossary



## 6 Glossary

<b>ABN</b>	means Australian Business Number.
<b>Applicant</b>	means a person who has completed a valid Application.
<b>Application</b>	means the payment of the relevant Application Money via BPAY® in accordance with the instructions on the Entitlement and Acceptance Form or the submission of a completed Entitlement and Acceptance Form accompanied by the relevant Application Money.
<b>Application Money</b>	means the total amount payable for the New Shares applied for via BPAY® or a completed Entitlement and Acceptance Form.
<b>ASIC</b>	means the Australian Securities and Investments Commission.
<b>ASX</b>	means ASX Limited ABN 98 009 624 691, or the financial market operated by it, as the context requires.
<b>ASX Announcement</b>	means the announcement released to ASX on Monday, 27 June 2022, included in Section 3 of this Information Booklet.
<b>ATO</b>	means the Australian Taxation Office.
<b>BPAY®</b>	means BPAY Pty Limited ABN 69 079 137 518.
<b>CAR</b>	means carsales.com Limited ACN 074 444 018.
<b>CGT</b>	means capital gains tax.
<b>Closing Date</b>	5.00pm (Melbourne time) on Wednesday, 13 July 2022.
<b>Corporations Act</b>	means the <i>Corporations Act 2001</i> (Cth).
<b>CRN</b>	means the unique Customer Reference Number on each personalised Entitlement and Acceptance Form.
<b>Eligible Institutional Shareholder</b>	means in accordance with sections 708(8) and 708(11) of the Corporations Act respectively, a sophisticated or professional Shareholder on the Record Date who has successfully received an invitation from the Underwriters to participate in the Institutional Entitlement Offer (either directly or through a nominee), provided that, if such person is in the United States, the person meets certain eligibility criteria determined by CAR and the Underwriters (and who, for the avoidance of doubt, is not an Ineligible Institutional Shareholder under the Underwriting Agreement).
<b>Eligible Retail Shareholder</b>	means a person who on the Record Date: <ul style="list-style-type: none"> <li>• has a registered address on the CAR share register in Australia or New Zealand;</li> <li>• is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);</li> <li>• was not invited to participate (other than as nominee, in respect of other underlying holdings) under the Institutional Entitlement Offer, and was not treated as an Ineligible Institutional Shareholder under the Institutional Entitlement Offer; and</li> <li>• is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer without any requirement for a prospectus, product disclosure document or offer document to be lodged or registered.</li> </ul>
<b>Eligible Shareholders</b>	means Eligible Institutional Shareholders and Eligible Retail Shareholders.
<b>Entitlement</b>	means the right to apply for 1 New Share for every 4.16 Existing Shares held as at the Record Date, at the Offer Price of \$17.75 per New Share, pursuant to the Retail Entitlement Offer.
<b>Entitlement and Acceptance Form</b>	means the entitlement and acceptance form which can be accessed and downloaded at the Entitlement Offer Website.
<b>Entitlement Offer</b>	means the Institutional Entitlement Offer and the Retail Entitlement Offer.

<b>Entitlement Offer Website</b>	means <a href="http://www.carsalesoffer.com.au">www.carsalesoffer.com.au</a> .
<b>Existing Shares</b>	means the Shares already on issue on the Record Date.
<b>FRCGW</b>	means Foreign Resident Capital Gains Withholding.
<b>GST</b>	means goods and services tax.
<b>Ineligible Institutional Shareholder</b>	means a Shareholder who is not an Eligible Institutional Shareholder.
<b>Ineligible Retail Shareholder</b>	means a Shareholder who is not an Eligible Retail Shareholder.
<b>Information Booklet</b>	means this information booklet.
<b>Institutional Entitlement Offer</b>	means the accelerated non-renounceable entitlement offer to Eligible Institutional Shareholders.
<b>Investor Presentation</b>	means the presentation to investors released to ASX on Monday, 27 June 2022, included in Section 3 of this Information Booklet.
<b>Listing Rules</b>	means the listing rules of ASX.
<b>New Shares</b>	means the Shares to be issued and allotted under the Entitlement Offer, including (if the context requires) to the Underwriters.
<b>Offer Information Line</b>	means 1300 850 505 (within Australia) and +61 3 9415 4000 (outside Australia), which is open between 8.30am to 5.00pm (Melbourne time) Monday to Friday during the Retail Entitlement Offer Period.
<b>Offer Price</b>	means \$17.75 per New Share.
<b>Proposed Transaction</b>	means the proposed acquisition by CAR of the remaining 51% interest in Trader Interactive pursuant to the exercise of CAR's call option.
<b>Record Date</b>	means 7.00pm (Melbourne time) on Wednesday, 29 June 2022.
<b>Retail Entitlement Offer</b>	means the accelerated non-renounceable entitlement offer to Eligible Retail Shareholders to apply for 1 New Share for every 4.16 Existing Shares held as at the Record Date at the Offer Price of \$17.75 per New Share.
<b>Retail Entitlement Offer Period</b>	means Friday, 1 July 2022 until the Closing Date.
<b>Share</b>	means a fully paid ordinary share in the capital of CAR.
<b>Share Registry</b>	means Computershare Investor Services Pty Limited.
<b>Shareholder</b>	means a registered holder of Shares.
<b>TFN</b>	means Tax File Number.
<b>TOFA</b>	means the Taxation of Financial Arrangements provisions of the Australian income tax law.
<b>Underwriters</b>	means Morgan Stanley Australia Securities Limited ABN 55 078 652 276, Goldman Sachs Australia Pty Ltd ABN 21 006 797 897 and UBS Securities Australia Ltd ABN 62 008 586 481.
<b>Underwriting Agreement</b>	means the underwriting agreement between CAR and the Underwriters dated Monday, 27 June 2022.
<b>US Securities Act</b>	means the US Securities Act of 1933, as amended.

# Corporate Directory

## carsales.com Limited

ACN 074 444 018

## Registered Office

Level 4, 499 Punt Road  
Richmond VIC 3121

## Website

[www.carsalesoffer.com.au](http://www.carsalesoffer.com.au)  
or <http://www.carsales.com.au/>

## Offer Information Line

1300 850 505 (within Australia) and +61 3 9415 4000  
(outside Australia)

Open between 8.30am to 5.00pm (Melbourne time)  
Monday to Friday during the Retail Entitlement  
Offer Period

## Share Registry

### **Computershare Investor Services Pty Limited**

Yarra Falls, 452 Johnston Street  
Abbotsford VIC 3067

## Australian Legal adviser

### **Arnold Bloch Leibler**

Level 21, 333 Collins Street  
Melbourne VIC 3000

[www.abl.com.au](http://www.abl.com.au)

## Lead Managers and Underwriters to the Entitlement Offer

### **Morgan Stanley Australia Securities Limited**

#### **ABN 55 078 652 176**

Level 39, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000

### **Goldman Sachs Australia Pty Ltd**

#### **ABN 21 006 797 897**

Level 46, Governor Phillip Tower  
1 Farrer Place  
Sydney NSW 2000

### **UBS Securities Australia Ltd**

#### **ABN 62 008 856 481**

Level 16, Chifley Tower  
2 Chifley Square  
Sydney NSW 2000





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