

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

Date:	15 March 2023
To:	Australian Securities Exchange
Subject:	Letter to Eligible Retail Shareholders regarding Retail Entitlement Offer opening and Entitlement and Acceptance Form

Enclosed is a letter to be despatched later today to Eligible Retail Shareholders (as defined in the Retail Information Booklet) of carsales.com Limited (**CAR**) in respect of the Retail Entitlement Offer announced by CAR on 8 March 2023 and a copy of the template Entitlement and Acceptance Form which is also to be despatched later today to Eligible Retail Shareholders.

For further information contact:

Nicole Birman
Company Secretary

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

These documents are not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. These documents are for information purposes only and do not constitute or form part of an offer, invitation, solicitation, advice, or recommendation with respect to the issue, purchase, or sale of any New Shares in CAR.

These documents do not constitute an offer to sell, or the solicitation of an offer to buy, any 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 (**Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and Entitlements may not be exercised or taken up by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or 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). The Entitlements may only be 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 Securities Act) in reliance on Regulation S under the Securities Act.

For all enquiries:



Phone:

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



Online:

www.carsalesoffer.com.au

SRN/HIN:

Dear Shareholder

15 March 2023

**CARSALES.COM LIMITED (ASX: CAR)
RETAIL ENTITLEMENT OFFER NOW OPEN**

On Wednesday, 8 March 2023, carsales.com Limited (**CAR**) announced a fully underwritten pro-rata accelerated renounceable entitlement offer (with retail rights trading) of new CAR ordinary shares (**New Shares**) to raise gross proceeds of approximately A\$500 million (**Entitlement Offer**) to fund its acquisition of 40% of shares in WebMotors S.A. (**webmotors**) from Banco Santander (Brasil) S.A. for approximately A\$353 million (the **Acquisition**) and strengthen CAR's balance sheet, reducing leverage and providing for increased capacity to pursue future growth opportunities.

THE ENTITLEMENT OFFER AND USE OF PROCEEDS

Details of the Entitlement Offer and the Acquisition (including all material terms and conditions) are set out in the investor presentation published on ASX on Wednesday, 8 March 2023 (**Investor Presentation**).

The purpose of this letter is to inform you about the Entitlement Offer and to explain that if you are an eligible shareholder, you will be able to subscribe for 1 New Share in CAR for every 14.01 existing CAR ordinary shares (**Offer Ratio**) held by you at 7.00pm (Melbourne time) on Monday, 13 March 2023 (**Record Date**) (**Entitlement**). The offer price is A\$19.95 per New Share (**Offer Price**).

New Shares issued under the Entitlement Offer will be fully paid and rank equally with existing CAR ordinary shares from the date of issue, however will not be entitled to receive the interim dividend announced by CAR on Monday, 13 February 2023 (ex-date Friday, 17 March 2023).

Following completion of the Entitlement Offer, CAR will have issued approximately 25 million New Shares, resulting in total CAR ordinary shares on issue of approximately 376 million. The Entitlement Offer is fully underwritten by the underwriters (**Underwriters**) pursuant to an underwriting agreement (the terms of which are summarised in Annexure D of the Investor Presentation).

The Entitlement Offer comprises an institutional entitlement offer (**Institutional Entitlement Offer**) and an offer to eligible retail shareholders (see below) (**Retail Entitlement Offer**) to participate at the same Offer Price and Offer Ratio. The Institutional Entitlement Offer has closed and the results were announced to ASX on Monday, 13 March 2023.

The Entitlement Offer is being made by CAR without a prospectus or other disclosure document in accordance with section 708AA of the *Corporations Act 2001* (Cth) (the **Act**) (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84 and ASIC Corporations (Disregarding Technical Relief) Instrument 2016/73).

ELIGIBLE RETAIL SHAREHOLDERS

"**Eligible Retail Shareholders**" are persons who:

- (a) are registered as a holder of CAR shares as at the Record Date;
- (b) have a registered address in Australia or New Zealand recorded on CAR's share register or, if located outside Australia or New Zealand, are an eligible institutional investor;
- (c) 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 they hold CAR shares for the account or benefit of such person in the United States);
- (d) were not invited to participate (other than as a nominee) or were otherwise ineligible to participate, in the Institutional Entitlement Offer; and

- (e) are eligible under all applicable securities laws to receive the Retail Entitlement Offer without any requirement for a prospectus, product disclosure document or offer document to be lodged or registered.

If a person does not meet all of these requirements, they are not an Eligible Retail Shareholder and are referred to as an **"Ineligible Retail Shareholder"** in the Information Booklet (defined below). Ineligible Retail Shareholders are not entitled to participate in the Retail Entitlement Offer. Instead, their Entitlements will be sold on their behalf in the retail shortfall bookbuild and they will receive the retail premium (being the proceeds (if any) in excess of the Offer Price in respect of the Entitlements sold in the retail shortfall bookbuild). There is no guarantee there will be any retail premium.

INFORMATION BOOKLET

This letter is not an offer document but is a notice of some key terms and conditions of the Retail Entitlement Offer. Full details of the Retail Entitlement Offer are set out in the Retail Entitlement Offer information booklet (**Information Booklet**), available on CAR's Retail Entitlement Offer website at www.carsalesoffer.com.au.

Eligible Retail Shareholders can access a copy of the Information Booklet online via the Entitlement Offer website www.carsalesoffer.com.au, together with a personalised Entitlement and Acceptance Form which contains details of their entitlements and how to submit payment under the Retail Entitlement Offer. If you cannot access your personalised Entitlement and Acceptance Form, would like to request a hard-copy or have any questions about completing it, please contact the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) or visit the Entitlement Offer website www.carsalesoffer.com.au. The Offer Information Line will be open from 8.30am to 5.00pm (Melbourne time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period.

You should read the Information Booklet carefully and in full before deciding whether to participate in the Retail Entitlement Offer.

ACTION REQUIRED BY ELIGIBLE RETAIL SHAREHOLDERS

If you are an Eligible Retail Shareholder, your Entitlement may have value and so it is important that you determine whether to:

- **Option 1:** take up all or part of your Entitlement;
- **Option 2:** sell or transfer all or part of your Entitlement;
- **Option 3:** do nothing and let all or part of your Entitlement be sold into the retail shortfall bookbuild.

There are a number of matters that you should consider in relation to taking up your Entitlement. You should ensure that you understand the tax consequences of any option that you take, and you should consider seeking advice from your professional adviser.

Option	What you need to do
Take up all or part of your Entitlement (Option 1)	<p>If you wish to take up all or part of your Entitlement, then you must pay your application money via BPAY® (or electronic funds transfer if your registered address is in New Zealand) by following the instructions set out on the personalised Entitlement and Acceptance Form available online at www.carsalesoffer.com.au.</p> <p>Payment must be received by no later than 5.00pm (Melbourne time) on Thursday, 30 March 2023.</p> <p>Any of your Entitlement which you do not take up will be sold as part of the retail shortfall bookbuild. Your percentage shareholding in CAR will be diluted accordingly.</p>
Sell or transfer all or part of your Entitlement (Option 2)	<p>If you wish to sell all or part of your Entitlements on ASX, you should instruct your stockbroker and provide details as requested from your personalised Entitlement and Acceptance Form. You should allow sufficient time for your instructions to be carried out by your stockbroker. Please note you may incur brokerage fees if you choose to sell all or part of your Entitlement on ASX.</p> <p>Entitlement trading on ASX starts:</p> <ul style="list-style-type: none"> • on a deferred settlement basis at 10.00am (Melbourne time) on Monday, 13 March 2023; • on a normal settlement basis at 10.00am (Melbourne time) on Thursday, 16 March 2023, <p>under the ASX ticker "CARRA" and ceases at 4.00pm (Melbourne time) on Thursday, 23 March 2023. There is no guarantee that there will be a liquid market in traded Entitlements.</p> <p>If you wish to transfer all or part of your Entitlements other than on ASX</p> <p>For issuer sponsored holders only, if you wish to transfer all or part of your Entitlement other than on ASX, you must forward a completed Renunciation and Acceptance Form to the share registry in relation to the part of your Entitlement that you wish to transfer.</p> <p>You can obtain a Renunciation and Acceptance Form from the Entitlement Offer website or by calling the Offer Information Line (details above). The Renunciation and Acceptance Form, as well as the transferee's application monies and their Entitlement and Acceptance Form, must be received by the share registry by no later than 5:00pm (Melbourne time) on Thursday, 30 March 2023.</p> <p>You may only transfer your Entitlement in this way to a purchaser whose address is in Australia or New Zealand, and who is not in the United States and is not acting for the account or benefit of a</p>

	<p>person in the United States (to the extent such purchaser is acting for the account or benefit of a person in the United States). Persons that are in the United States or that are acting for the account or benefit of a person in the United States will not be eligible to purchase, trade, take up or exercise Entitlements. You should inform any purchaser or transferee of these restrictions.</p> <p>If you sell or transfer all or some of your Entitlement, your percentage shareholding in CAR will be diluted as a result of the New Shares being issued under the Entitlement Offer.</p>
Do nothing and let all or part of your Entitlement be sold into the retail shortfall bookbuild (Option 3)	<p>Any of your Entitlements which you do not take up, sell or transfer will be offered for sale through the retail shortfall bookbuild on Tuesday, 4 April 2023. You will receive the retail premium (if any) in respect of Entitlements sold in the retail shortfall bookbuild.</p> <p>By allowing your Entitlement to be offered for sale in the retail shortfall bookbuild, you will forgo any exposure to increases or decreases in the value of the New Shares had you taken up your Entitlement (or any value for your Entitlement which may have been achieved through its sale on ASX or otherwise). Your percentage shareholding in CAR will also be diluted.</p>

KEY DATES FOR ELIGIBLE RETAIL SHAREHOLDERS

Event	Date
Trading halt and announcement of Acquisition and Entitlement Offer	Wednesday, 8 March 2023
Trading resumes on an 'ex-entitlement' basis and Entitlements commence trading on ASX on a deferred settlement basis	Monday, 13 March 2023
Record Date for determining eligibility in the Retail Entitlement Offer (7:00pm, Melbourne time)	Monday, 13 March 2023
Retail Entitlement Offer opens	Wednesday, 15 March 2023
Despatch of Information Booklet and Entitlement and Acceptance Form to Eligible Retail Shareholders	Wednesday, 15 March 2023
Entitlements commence trading on ASX on a normal settlement basis	Thursday, 16 March 2023
Entitlements trading on ASX ends	Thursday, 23 March 2023
Retail Entitlement Offer closes	Thursday, 30 March 2023
CAR announces results of Retail Entitlement Offer	Tuesday, 4 April 2023
Retail shortfall bookbuild (for Entitlements not taken up by Eligible Retail Shareholders and Entitlements of Ineligible Retail Shareholders)	Tuesday, 4 April 2023
CAR announces results of retail shortfall bookbuild	Wednesday, 5 April 2023
Settlement of New Shares under the Retail Entitlement Offer	Tuesday, 11 April 2023
Allotment of New Shares under the Retail Entitlement Offer	Wednesday, 12 April 2023
Normal trading of New Shares issued under the Retail Entitlement Offer commence trading on ASX	Thursday, 13 April 2023
Despatch of holding statements for New Shares issued under the Retail Entitlement Offer	Friday, 14 April 2023
Payment of retail premium (if any)	Monday, 17 April 2023

These dates (except where historical) are indicative only and subject to change without notice. Subject to the requirements of the Act, the ASX Listing Rules and other applicable laws, CAR 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, without notice.

The quotation of Entitlements and New Shares is subject to confirmation from ASX.

Cooling off rights do not apply to applications. Applications cannot be withdrawn once accepted. Eligible Retail Shareholders wishing to participate in the Retail Entitlement Offer are encouraged to take up their Entitlement as soon as possible after the Retail Entitlement Offer opens.

FURTHER INFORMATION

For further information regarding the Retail Entitlement Offer, please call the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8:30am and 5:00pm (Melbourne time) Monday to Friday (excluding public holidays) during the Retail Entitlement Offer period. If you have any questions, please consult your professional adviser for advice suitable to your individual circumstances.

Yours faithfully



Nicole Birman
Company Secretary
carsales.com Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

IMPORTANT INFORMATION

This letter is not a prospectus or offering document under Australian law or under any other law. No action has been or will be taken to register, qualify or otherwise permit a public offering of the New Shares in any jurisdiction outside Australia and New Zealand. This letter is for information purposes only and does not constitute or form part of an offer, invitation, solicitation, advice, or recommendation with respect to the issue, purchase, or sale of any New Shares in CAR.

This letter does not constitute an offer to sell, or the solicitation of an offer to buy, any 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 (**Securities Act**), or the securities laws of any state or other jurisdiction of the United States, and Entitlements may not be exercised or taken up by, and the New Shares may not be offered or sold, directly or indirectly, to persons in the United States or 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). The Entitlements may only be 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 Securities Act) in reliance on Regulation S under the Securities Act.

The provision of this document is not, and should not be considered as, financial product advice. The information in this document is general information only, and does not take into account your individual objectives, taxation position, financial situation or needs. If you are unsure of your position, please contact your accountant, tax advisor, stockbroker or other professional advisor.

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 CAR and the Underwriters. CAR, the Underwriters and each of their respective affiliates disclaim any duty or liability (including for negligence) in respect of that determination and the exercise or otherwise of that discretion, to the maximum extent permitted by law.

For all enquiries:**Phone:**

(within Australia) 1300 850 505

(outside Australia) + 61 3 9415 4000

Web:

www.carsalesoffer.com.au

Make your payment:

Details of the Retail Entitlement Offer and how to make your payment are displayed on the next page.

Retail Entitlement Offer — Entitlement and Acceptance Form

Your payment must be received by 5.00pm (Melbourne time) Thursday, 30 March 2023

As an Eligible Retail Shareholder you are entitled to acquire 1 new share (**New Share**) for every 14.01 existing shares (**Existing Shares**) that you hold on the Record Date (**Entitlements**) at an Offer Price of A\$19.95 per New Share (**Retail Entitlement Offer**).

This Entitlement and Acceptance Form and the Retail Entitlement Offer information booklet dated Wednesday, 15 March 2023 (**Information Booklet**) are important documents that require your immediate attention. They can only be used in relation to the shareholding represented by the details displayed on the next page. If you do not understand these documents or are in doubt about how to deal with them, please contact your financial or other professional adviser. For further information regarding the Retail Entitlement Offer, please call the Offer Information Line on 1300 850 505 (within Australia) or +61 3 9415 4000 (outside Australia) between 8.30am and 5.00pm (Melbourne time) on Monday to Friday, before the Retail Entitlement Offer closes. Capitalised terms used in this Entitlement and Acceptance Form and not otherwise defined have the meaning given to them in the Information Booklet.

carsales.com Limited will quote a market for Entitlements between 10.00am (Melbourne time) on Monday, 13 March 2023 until 4.00pm (Melbourne time) on Thursday, 23 March 2023. Please refer to the Information Booklet for details on how to renounce your Entitlements.

This Entitlement and Acceptance Form and the Information Booklet do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States, or in any other jurisdiction in which such an offer would be illegal. This Entitlement and Acceptance Form may not be distributed or released in the United States. Neither the Entitlements nor the New Shares offered and sold in the Retail Entitlement Offer have been, or will be, registered under the U.S. Securities Act of 1933, as amended (**Securities Act**) or under the securities laws of any state or other jurisdiction of the United States, and the Entitlements to be offered in the Retail Entitlement Offer may only be exercised, and the New Shares may only be offered and sold, outside the United States in "offshore transactions" (as defined in rule 902(h) under the Securities Act) in reliance on Regulation S under the Securities Act.

Step 1: Registration Name & Offer Details

Details of your shareholding and Entitlements for the Retail Entitlement Offer are shown overleaf.

Please check the details provided and update your address via www.investorcentre.com if any of the details are incorrect.

If you have a CHESS sponsored holding, please contact your controlling participant to notify a change of address.

Step 2: Confirm the number of Entitlements you wish to take up

You can apply to accept either all or part of your Entitlement. Enter the number of New Shares you wish to apply for and the amount of payment for those New Shares.

Step 3: Make your payment by BPAY®

Make your payment by BPAY in accordance with the instructions on the next page. By making your payment you confirm that you agree to all of the terms and conditions as detailed in the Information Booklet and this Entitlement and Acceptance Form. In particular, you represent and warrant 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), and you are not otherwise a person to whom it would be illegal to make an offer or issue of Entitlements or New Shares under the Retail Entitlement Offer and under any applicable laws and regulations.

By paying by BPAY you are deemed to have applied for as many New Shares as your Application Money will pay for in full.

You are not required to return this Entitlement and Acceptance Form.

If you do not take up or sell your Entitlements, you may not receive any value for them. It is important that you decide whether to accept or sell your Entitlements in accordance with the Information Booklet.

Other options for Entitlements

(a) Sell your Entitlements in full by your broker/agent

If you wish to sell your Entitlements in full, you should instruct your stockbroker personally and provide details as requested. **DO NOT** forward your requests for sale to Computershare Investor Services Pty Limited (**CIS**).

(b) Sell some of your Entitlements through your broker/agent and take up the balance

If you wish to sell some of your Entitlements and take up the balance you should:

- Instruct your stockbroker personally and provide details as requested; **AND**
- Make payment using BPAY, in order to take up the balance of your Entitlements.

(c) Sell your Entitlements held on the issuer sponsored sub-register


A Renunciation and Acceptance Form must be used for an off market transfer of Entitlements. This form may be obtained online at www.carsalesoffer.com.au or by calling the Offer Information Line on 1300 850 505 (within Australia) or +61 9415 4000 (outside Australia).

Entitlement and Acceptance Form

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IND

STEP 1 Registration Name & Offer Details

 For your security keep your SRN/HIN confidential.

Registration Name: MR SAM SAMPLE
123 SAMPLE STREET
SAMPLETOWN VIC 3000

Entitlement No: 12345678

Offer Details: Existing shares entitled to participate as at
7.00pm (Melbourne time) Monday, 13 March 2023:

Entitlement to New Shares
on a 1 for 14.01 basis:

Amount payable on full acceptance
at A\$19.95 per New Share:

STEP 2 Confirm the number of Entitlements you wish to take up

Enter the number of Entitlements you wish to take up and retain this Entitlement and Acceptance Form for your records.

Entitlements taken up:

Amount paid at A\$19.95 per New
Share:

A\$

STEP 3 Make your payment by 5.00pm (Melbourne time) Thursday, 30 March 2023

Make your payment via **BPAY** either online or by phone with your bank using the payment details below.

BPAY

	Bill Code:
	Ref No:

Contact your financial institution to make your payment from your cheque or savings account. Neither CIS nor carsales.com Limited accepts any responsibility for loss incurred through incorrectly completed BPAY payments. It is the responsibility of the applicant to ensure that funds submitted through BPAY are received by 5.00pm (Melbourne time) on Thursday, 30 March 2023. Eligible Retail Shareholders should use the customer reference number shown on this Entitlement and Acceptance Form when making a BPAY payment.

Privacy Notice

The personal information you provide on this form is collected by CIS, as registrar for the securities issuer (the **issuer**), for the purpose of maintaining registers of securityholders, facilitating distribution payments and other corporate actions and communications. In addition, the issuer may authorise us on their behalf to send you marketing material or include such material in a corporate communication. You may elect not to receive marketing material by contacting CIS using the details provided above or emailing privacy@computershare.com.au. We may be required to collect your personal information under the Corporations Act 2001 (Cth) and ASX Settlement Operating Rules. We may disclose your personal information to our related bodies corporate and to other individuals or companies who assist us in supplying our services or who perform functions on our behalf, to the issuer for whom we maintain securities registers or to third parties upon direction by the issuer where related to the issuer's administration of your securityholding, or as otherwise required or authorised by law. Some of these recipients may be located outside Australia, including in the following countries: Canada, India, New Zealand, the Philippines, the United Kingdom and the United States of America. For further details, including how to access and correct your personal information, and information on our privacy complaints handling procedure, please contact our Privacy Officer at privacy@computershare.com.au or see our Privacy Policy at www.computershare.com/au/privacy-policies.