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Monday, 17 May 2021

**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 underwritten 1 for 6.99 pro-rata accelerated renounceable entitlement offer (with retail rights trading) that was announced on Wednesday, 12 May 2021.

The Institutional Entitlement Offer raised approximately A\$428 million at the offer price of A\$17.00 ("**Offer Price**") per new share ("**New Share**") and was well supported by institutional shareholders with take-up of approximately 83% by eligible institutional shareholders (excluding partial renunciations from one director and another person closely connected to the Company).

A bookbuild for Institutional Entitlement Offer shortfall shares was completed on Friday, 14 May 2021 ("**Institutional Shortfall Bookbuild**"). The bookbuild cleared at a price of A\$18.00 per New Share, which represents a premium of A\$1.00 to the Offer Price of A\$17.00 per New Share.

As announced on Wednesday, 12 May 2021, the proceeds from the capital raising will be used to partially fund the acquisition of Trader Interactive LLC for US\$624m<sup>1</sup> ("**Acquisition**").

carsales CEO Cameron McIntyre said "We are very pleased with the level of support we have received from our institutional shareholders, in particular domestic institutional investors who took up 99% of their entitlements.

We firmly believe that this acquisition creates compelling value for our shareholders through accelerating our international growth strategy by providing us with exposure to a significant market in the United States across attractive non-automotive verticals."

Eligible institutional shareholders who elected not to take up their entitlements and certain ineligible institutional shareholders will receive A\$1.00 for each entitlement sold through the Institutional Shortfall Bookbuild. This payment is expected to be made on or around Friday, 21 May 2021.

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 issued as part of the Institutional Entitlement Offer is expected to occur on Friday, 21 May 2021, with the issue of those New Shares expected to occur and ordinary trading expected to commence on Monday, 24 May 2021.

**Commencement of the Retail Entitlement Offer**

The retail component of the Entitlement Offer ("**Retail Entitlement Offer**") is expected to raise approximately A\$172 million taking the expected size of carsales total equity raising to approximately A\$600 million. The Retail Entitlement Offer will open on Wednesday, 19 May 2021 and close at 5:00pm (Melbourne time) Wednesday, 2 June 2021.

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 6.99 existing CPU ordinary shares held as at the Record Date (being 7:00pm (Melbourne time) on Monday, 17 May 2021), at the Offer Price of A\$17.00 per New Share, the same Offer Price and offer ratio as the Institutional Entitlement Offer.

Eligible retail shareholders will be allotted Entitlements ("**Retail Entitlements**") which can be traded on the ASX. Eligible retail shareholders who do not wish to take up all or part of their Retail Entitlements can seek to sell all or part of their Retail Entitlements on the ASX or by transferring them directly to another eligible person to realise

<sup>1</sup> Acquisition price calculated as 100% EV less net debt and other adjustments of US\$351m (as at 31 March 2021), multiplied by 49% being the interest in Trader Interactive acquired by carsales. The final Acquisition Price is subject to completion adjustments and may differ from the number reported in this announcement.

value for those Retail Entitlements ahead of the retail shortfall bookbuild ("**Retail Shortfall Bookbuild**"). Retail Entitlements can be traded on the ASX from Monday, 17 May 2021 to Wednesday, 26 May 2021 under the ASX ticker "CARR".

Retail Entitlements which are not taken up by eligible retail shareholders by the close of the Retail Entitlement Offer and Retail Entitlements that would otherwise have been offered to ineligible retail shareholders will be sold through the Retail Shortfall Bookbuild on Monday, 7 June 2021. Any proceeds from the sale of Retail Entitlements under the Retail Shortfall Bookbuild in excess of the Offer Price (per underlying share) will be remitted proportionally to those retail shareholders, less any expenses ("**Retail Premium**"). There is no guarantee that there will be any Retail Premium remitted to those retail shareholders. Any Retail Premium arising from the Retail Shortfall Bookbuild is expected to be paid to those retail shareholders on Thursday, 17 June 2021.

Eligible retail shareholders wishing to participate in the Retail Entitlement Offer should carefully read the retail offer booklet ("**Retail Offer Booklet**") and the accompanying personalised entitlement and acceptance form which are expected to be made available to eligible retail shareholders on Wednesday, 19 May, 2021.

Retail Offer 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.

Eligible retail shareholders are shareholders on the Record Date who:

1. have an address on the carsales register in Australia or New Zealand;
2. are not in the United States and are not acting for the account or benefit of a person in the United States;
3. are not an eligible institutional shareholder and were not treated as an ineligible institutional shareholder under the Institutional Entitlement Offer; and
4. are eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer,

provided that, if a shareholder (including a nominee or custodian) is acting for the account or benefit of a person in the United States, it may not participate in the Retail Entitlement Offer on behalf of such a person ("**Eligible Retail Shareholders**").

It is the responsibility of purchasers of Retail Entitlements to inform themselves of the eligibility criteria for exercise. If holders of Retail Entitlements after the end of the trading period do not meet the eligibility criteria, they will not be able to exercise the Retail Entitlements. If holders are not able to take up their Retail Entitlements, those Retail Entitlements will be sold into the Retail Shortfall Bookbuild and holders may receive no value for them.

carsales ordinary shares are expected to resume trading from market open Monday, 17 May 2021 on an "ex-entitlement" basis.

## Timetable

Event	Date <sup>2</sup>
Announcement of results of Institutional Entitlement Offer	Monday, 17 May 2021
Trading halt lifted and shares recommence trading on an ex-entitlement basis	Monday, 17 May 2021
Record Date for Entitlement Offer (7.00pm Melbourne time)	Monday, 17 May 2021
Retail rights commence trading on the ASX	Monday, 17 May 2021
Retail Entitlement Offer opens and Retail Offer Booklet made available	Wednesday, 19 May 2021
Settlement of new shares issued under the Institutional Entitlement Offer	Friday, 21 May 2021

<sup>2</sup> The timetable is indicative only and subject to change. carsales and the Underwriters may, in their absolute discretion, vary any of the above dates by lodging a revised timetable with the ASX.

Allotment and normal trading of new shares issued under the Institutional Entitlement Offer	Monday, 24 May 2021
Close of retail rights trading on the ASX	Wednesday, 26 May 2021
Retail Entitlement Offer closes (5.00pm Melbourne time)	Wednesday, 2 June 2021
Announcement of results of Retail Entitlement Offer	Monday, 7 June 2021
Retail Entitlement Offer shortfall bookbuild	Monday, 7 June 2021
Announce results of Retail Entitlement Offer shortfall bookbuild	Tuesday, 8 June 2021
Settlement of new shares issued under the Retail Entitlement Offer	Thursday, 10 June 2021
Allotment of new shares under the Retail Entitlement Offer	Friday, 11 June 2021
Normal trading of new shares issued under the Retail Entitlement Offer	Tuesday, 15 June 2021
Holding statements in respect of new shares issued under the Retail Entitlement Offer despatched	Wednesday, 16 June 2021

**- ENDS -**

*Release authorised by the carsales.com Ltd Board*

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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.

Find out more at [www.carsales.com.au](http://www.carsales.com.au)

**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. 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, are 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.

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 COVID-19. Subject to any legal obligation to do so, carsales does not undertake to update or review any forward looking statements.

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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 to, directly or indirectly, persons in the United States or acting for the account or benefit of 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.

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