carsales.com ltd

Annual Report
2023

Contents

carsales acknowledges the Traditional Custodians of Country throughout Australia and their connections to land, sea and community. We pay our respect to their Elders past and present and extend that respect to all Aboriginal and Torres Strait Islander peoples today.

Globally, carsales recognises the significance of indigenous peoples' communities, consistent with our efforts to build a culture that embraces diversity, equality and inclusion.

carsales.com Ltd (ASX:CAR) is one of the largest digital marketplace business in the world. In Australia it has market-leading positions in automotive, motorcycle, caravan, marine, truck and equipment industries. The carsales network extends across the United States, South Korea and Latin America, employing more than 1,800 people, developing world class technology and advertising solutions that drive its businesses.

In the US, Trader Interactive is a leading integrated platform of non-automotive marketplaces across the RV, powersports, truck and equipment industries. Encar.com in South Korea is the leading automotive digital marketplace and carsales' Latin American businesses are the leading automotive digital marketplaces in Brazil and Chile.

Our Operational Highlights

42 million
Unique audience per month

18 billion
Page views

22 million
Dealer leads delivered

7x
In Digital Retailing car de-listings

Great Place to Work®
Awarded for the sixth consecutive year

410,000
Cars inspected by Encar

1.2b
Total sessions globally

48,000
Subscribed dealers globally

2.2m
Vehicles online globally

48% increase
In instant offer transactions in Australia

Reconciliation
Our Reconciliation Action Plan was endorsed by Reconciliation Australia

Carbon neutral
in our Australian business operations

Our Strategy

Our Vision

To create #1 digital marketplaces for vehicles around the world

Our Purpose

Make Buying and Selling a Great Experience

Our Strategic Pillars

Our Customers

Deliver seamless, simple and personalised digital retail experiences

Our People

Build a world-class culture to attract and retain the best talent

Sustainable Growth

Generate consistent long-term growth and nurture a business which future generations will be proud of

Future Horizons

Foster innovation to create new ideas, products and businesses

The Evolution of Our Strategy

1997
carsales domain name registered

2005
carsales acquires PBL Media's websites

2006
carsales hits **100,000** cars online

2009
carsales lists on the ASX

2010
carsales hits **200,000** cars online

2013
Acquired 30% stake in webmotors (Brazil)

2013
Launched ecommerce platform tyresales.com.au

2014
Acquired 49.9% stake in Encar (South Korea)

2015
Launched in Australia, digital trade-in product Instant Offer

2016
Launched vehicle inspection service RedBook Inspect

2016
Acquired controlling stake in chileautos (Chile) and soloautos (Mexico)

2017
Acquired remaining stake in Encar

2021
Acquired 49% stake in non-auto marketplace group Trader Interactive (US)

2021
Acquired digital tyre wholesaler tyreconnect

2021
Launched buy online service Select, in Australia

2022
Acquired remaining stake in Trader Interactive

2023
Acquired further 40% of webmotors

Chair and CEO Letter

Pat O'Sullivan
Non-Executive Chair

Cameron McIntyre
Managing Director and CEO

It has been a great year for the business and we are incredibly proud of what our teams at carsales have accomplished. We have delivered excellent financial results, made good progress executing our strategy and completed transformational acquisitions. We acquired controlling stakes in Trader Interactive and webmotors, which is a key milestone for the business as more than 50% of our revenue now comes from outside of Australia.

We have built an incredible Australian business over the last 25 years and it is now complemented by an enviable portfolio of international assets. We see substantial growth opportunities in these large addressable markets over many years. This growth will continue to be powered by our passion for delivering the most frictionless buying and selling experience for our customers around the world. We remain constantly alert to competitors and sharply focused on execution heading into FY24. Our goal is to solidify and extend our market leadership positions in all our markets.

Industry Context

Industry conditions have started to normalise after a long period of volatility due to supply chain constraints and COVID-19-related conditions. As a result, automotive and non-automotive vehicle inventory levels have increased over the last 12 months, albeit they remain below pre-pandemic levels. Both new and used car prices have risen materially since the pandemic, but have stabilised since the second quarter of 2022. Despite these changes, as well as the impact of inflation and rising interest rates, we have continued to see robust levels of demand in all our key markets, reflecting the resilience of our business models through economic cycles.

Acquisitions and Capital Raising

It has been another very active year from an acquisition perspective. In September, we acquired the remaining 51% of Trader Interactive (now owning 100%) and have seen the business prosper since then. In March we were incredibly excited to acquire a further 40% stake in webmotors, the leading Brazilian automotive digital marketplace, to become the 70% majority owner. Santander bank retains a 30% equity stake and will continue their valuable contractual commercial relationship with the business. webmotors presents a compelling growth opportunity for carsales given Brazil is one of the largest and fastest-growing automotive markets in the world. webmotors has significant future growth opportunities through customer acquisition, national expansion, new product development and increasing finance penetration. Culturally, there is strong alignment between the carsales and webmotors teams, and we have demonstrated an excellent track record of delivering shareholder value by investing into international markets. Moving to 70% ownership will enable shareholders to capture the significant upside potential in the webmotors business.

We successfully executed a A$0.5b renounceable entitlement offer to fund the webmotors transaction, which was very well supported by our retail and institutional shareholders. We chose this structure as it promotes fairness for our retail shareholders and it was pleasing to see we have been able to create value for the shareholders who participated in the raising. In July 2022, we successfully executed a A$1.2b non-renounceable entitlement offer to fund the Trader Interactive transaction, which was also very well supported by our shareholders.

Financial Performance and Capital Management

carsales has delivered an outstanding financial performance in FY23 and enters the new year with strong momentum. The Group delivered excellent growth across our three primary financial metrics of Proforma Revenue, Proforma EBITDA and Adjusted NPAT in FY23. Proforma revenue was up 18% on pcp to $942m, driven by double-digit growth across all our key markets. This reflects the strong value we continue to provide for our customers with growth coming from new customers and increasing adoption rates of new and existing products. Proforma Earnings before interest, tax and depreciation/amortisation (EBITDA) was up 19% to $496m with EBITDA margins of 53%. The strong earnings and margin performance are complemented by our continued investment in key projects and innovation to drive future growth.

Adjusted Net Profit After Tax (NPAT) increased 43% to $278m driven by our strong underlying earnings growth and the contribution from new acquisitions. EPS was up 17% to 78.1¢ reflecting strong earnings growth partly offset by the additional shares on issue from recent capital raisings. The Board has declared a final FY23 dividend of 32.5¢ per share, bringing total dividends paid to shareholders for FY23 to 61¢ per share for the year.

From a balance sheet perspective, $132m of the webmotors capital raise was used to strengthen carsales' balance sheet, reducing leverage to 1.96x net debt to EBITDA ratio, which provides us with ongoing funding flexibility heading into FY24. We have retained our existing dividend payout policy of 80% of Adjusted net profit after tax.

Operational Highlights

We are very pleased with the progress of the Trader Interactive business since acquiring the remaining 51% in September (bringing our ownership to 100%). We are ahead of expectations in terms of executing on our investment thesis and delivering against the synergies we identified as part of the transaction. This has included delivery of new product, acquiring customers and investing in technology to drive future growth.

Growth has accelerated in our Australian business, as we continue to invest in building an increasingly online buying and selling experience. We have extended our

market leadership from both an audience and inventory perspective, reflected in the very strong performance of our private seller advertising segment over the last 12 months. Our 'instant offer' selling option continues to scale, which demonstrates the benefits of continued user improvements, better pricing, adding more dealers to the platform and developing consumer awareness through advertising campaigns. We only see continued upside potential over the next few years for this area of our business.

In Brazil, the business has performed very strongly over the last 12 months. We have increased our market share in large areas outside of São Paulo and Rio de Janeiro, through acquiring new dealers, growing our audience and adding more private sellers. webmotors is uniquely positioned to capture market share with exceptional buyer and seller engagement metrics and a sophisticated suite of digital products.

Encar in South Korea delivered another excellent performance this year, driven by the continued expansion of the Guarantee inspection product. Encar continues to make strong progress on its mission to facilitate online car transactions. This was reflected in the continued strong growth of its Encar Home digital retailing service.

Looking towards FY24, each of our companies has a significant roadmap of both product and initiatives to continue delivering in line with our organisational strategy, and we are well positioned as we move into the new financial year.

Our People

We have an amazing team of passionate, committed and innovative people at carsales who are the driving force of our success. The team is driven by our purpose, which is to make buying and selling a great experience. As we add new geographies and businesses to our portfolio, it is incredibly important that we maintain and enhance our culture – there is great alignment and compatibility with the Trader Interactive and webmotors teams, which has resulted in a smooth integration of those businesses thus far.

We hold hackathon events at carsales each year – a hackathon is an event where people and teams get to step away from their day-to-day roles and build out a new product, solve customer problems, improve the way we do something, learn new skills and collaborate with new people. There were some amazing ideas and products that stemmed from the hackathon, which had 42 teams and 300 participants from our businesses around the world, with particular focus on use cases for Artificial Intelligence. It was a good reminder of how inventive our people are and it will be very exciting to see some of these ideas come to life over the next 12 months. These hackathons are just one example of how we embrace innovation at every level of the Company and our relentless focus on improving customer experience.

We are principally operating a hybrid working model across our global business, which encourages people to collaborate physically in the office, but also allows people the freedom to work remotely if they choose. This model is working well, reflected in the speed of execution and delivery occurring across our global businesses, our very strong employee engagement scores, staff retention rates and job fill times. There is so much going on across our global business and this broad array of initiatives is only possible because our large team of talented people is executing strongly every day.

Governance

The Board is dedicating more focus to Environmental, Social and Governance ('ESG') issues, particularly given the growth in the Group's global footprint.

We are focused on reducing carsales' impact on the environment and responding to risks associated with climate change. Last year we achieved carbon neutral status in our Australian business operations, and now our focus turns to achieving this in our international businesses in the next 12 months. The Task Force on Climate-related Financial Disclosures (TCFD) is a leading framework under which companies assess their climate-related risks and opportunities. In FY23, we have reported against this framework for this first time which is a good step forward for the Company.

In Brazil, the business has performed very strongly over the last 12 months. We have increased our market share in large areas outside of São Paulo and Rio de Janeiro, through acquiring new dealers, growing our audience and adding more private sellers.

The carsales business has an important role to play in the education of consumers to support the world's transition to an electric vehicle future.

From a risk management perspective, cybersecurity and protecting customer and consumer data is a critical focus area for carsales particularly given threats are increasing in this space. We continue to invest heavily in our security infrastructure to ensure the integrity of our customer data and provide policies, training and education to our employees on responsible data use and cybersecurity. We cannot become complacent in this area and will continue to invest to ensure we keep pace with the changing risk management and security landscape. Whilst we cannot fully mitigate these risks, an effective risk and governance framework can help to reduce the impact of any event.

Given our continued international expansion, we have also implemented subsidiary Boards with independent Directors in each of our key geographies of Australia, the US, South Korea and Brazil. This subsidiary governance framework allows the business to dedicate appropriate focus to local country risks in each of our jurisdictions.

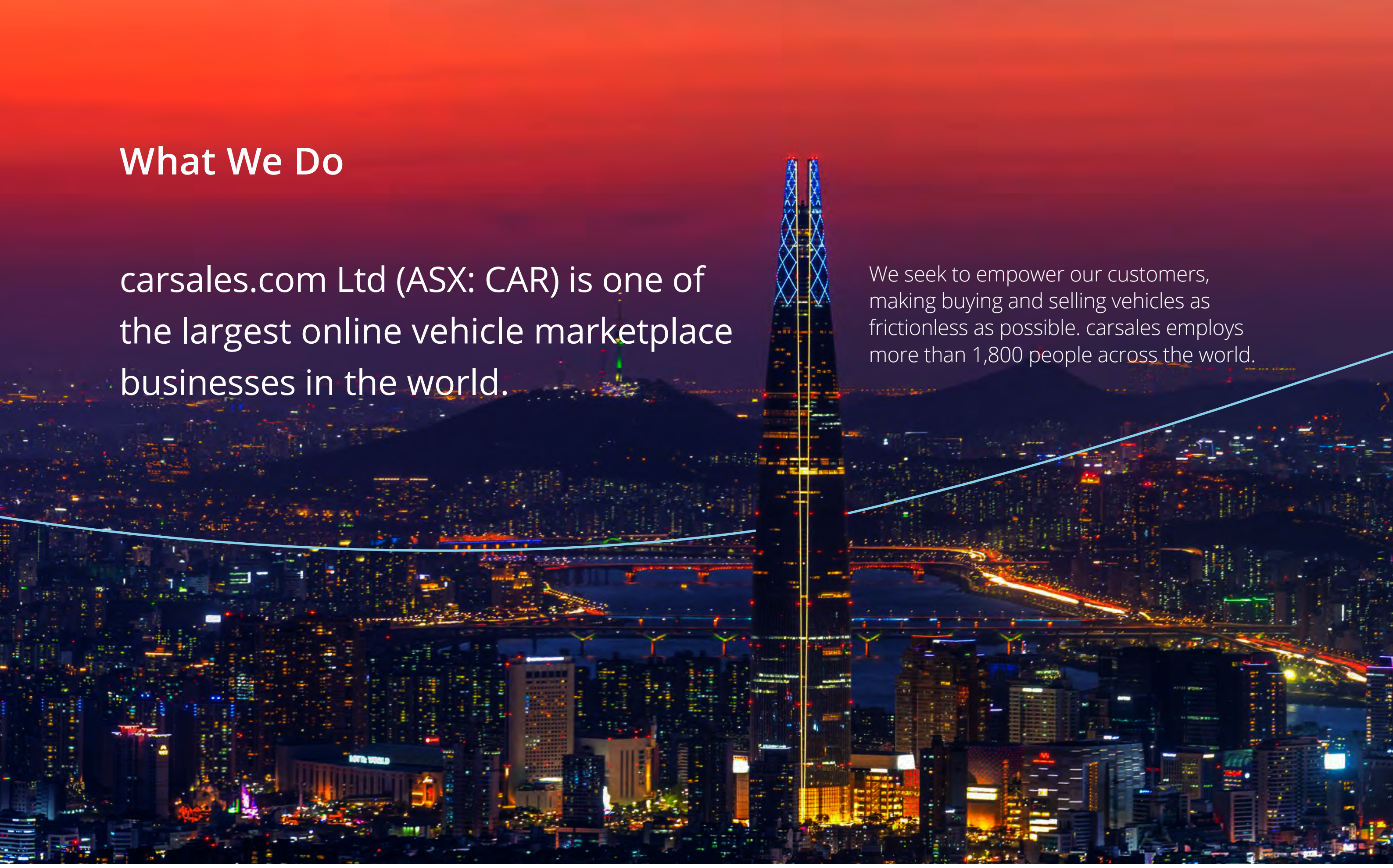
Diversity and inclusion are very important to carsales as we want all our people to feel valued, respected and have equal access to opportunities. We are a Workplace Gender Equality Agency (WGEA) Employer of Choice, and we are passionate about trying to correct the underrepresentation of females in technology roles.

Towards a Successful FY24

Finally we would like to thank our customers for their partnership, our wonderful employees for their hard work and our shareholders for their support and encouragement. We look forward to working with you all in FY24.

Pat O'Sullivan
Non-Executive Chair

Cameron McIntyre
Managing Director and CEO



What We Do

carsales.com Ltd (ASX: CAR) is one of the largest online vehicle marketplace businesses in the world.

We seek to empower our customers, making buying and selling vehicles as frictionless as possible. carsales employs more than 1,800 people across the world.

Our Markets

carsales built its name in Australia, but over the last 10 years we have increasingly become a global player. Our global markets have a combined population of 750 million people and car sales volumes of approximately 25 million per annum. The markets we have entered have been carefully selected based on criteria including macroeconomic attractiveness, digital maturity and market dynamics. We leverage our world-class technology and intellectual property to accelerate the growth in these businesses and have a strong track record of delivery. Our recent acquisitions of incremental stakes in Trader Interactive and webmotors have allowed us to deepen our exposure to the very attractive US (primarily caravans, powersports and trucks) and Brazil (auto) markets.

Our Brand Portfolio

carsales

28m Monthly visits **212k** Published inventory

In Australia, we are market leaders in online classifieds in a number of industries including cars, motorbikes, boats, trucks and commercial equipment. More than one in five Australians visit our group of websites every month.

We are still increasing our market share by digitising elements of the car buying journey and removing friction points to make it easier for consumers to buy and sell.

TRADER INTERACTIVE

18m Monthly visits **1.3m** Published inventory

Market-leading platform of non-automotive marketplaces across RV, powersports, truck and equipment industries in the US.

Non-automotive classifieds are less digitally mature than automotive markets meaning the business is well positioned to capture upside from further dealer penetration and monetisation across its key verticals.

Trust Encar

25m Monthly visits **165k** Published inventory

Clear market leader in automotive classifieds in South Korea with a strong growth track record over the last 8 years.

Strategy is to increase the penetration of premium services for dealers, consumers and OEMs. Key growth drivers include the Guaranteed inspection, Dealer Direct and Home Delivery products.

webmotors

28m Monthly visits **407k** Published inventory

No.1 position in the large but competitive Brazil automotive market. Achieved very strong growth over the last 5 years since the major recession in Brazil ended.

Substantial growth opportunity given the size and immaturity of the market. Key growth drivers include increased dealer and consumer penetration particularly in areas outside São Paulo and Rio de Janeiro. Dealer Finance is also a significant revenue opportunity.

chileautos soloautos

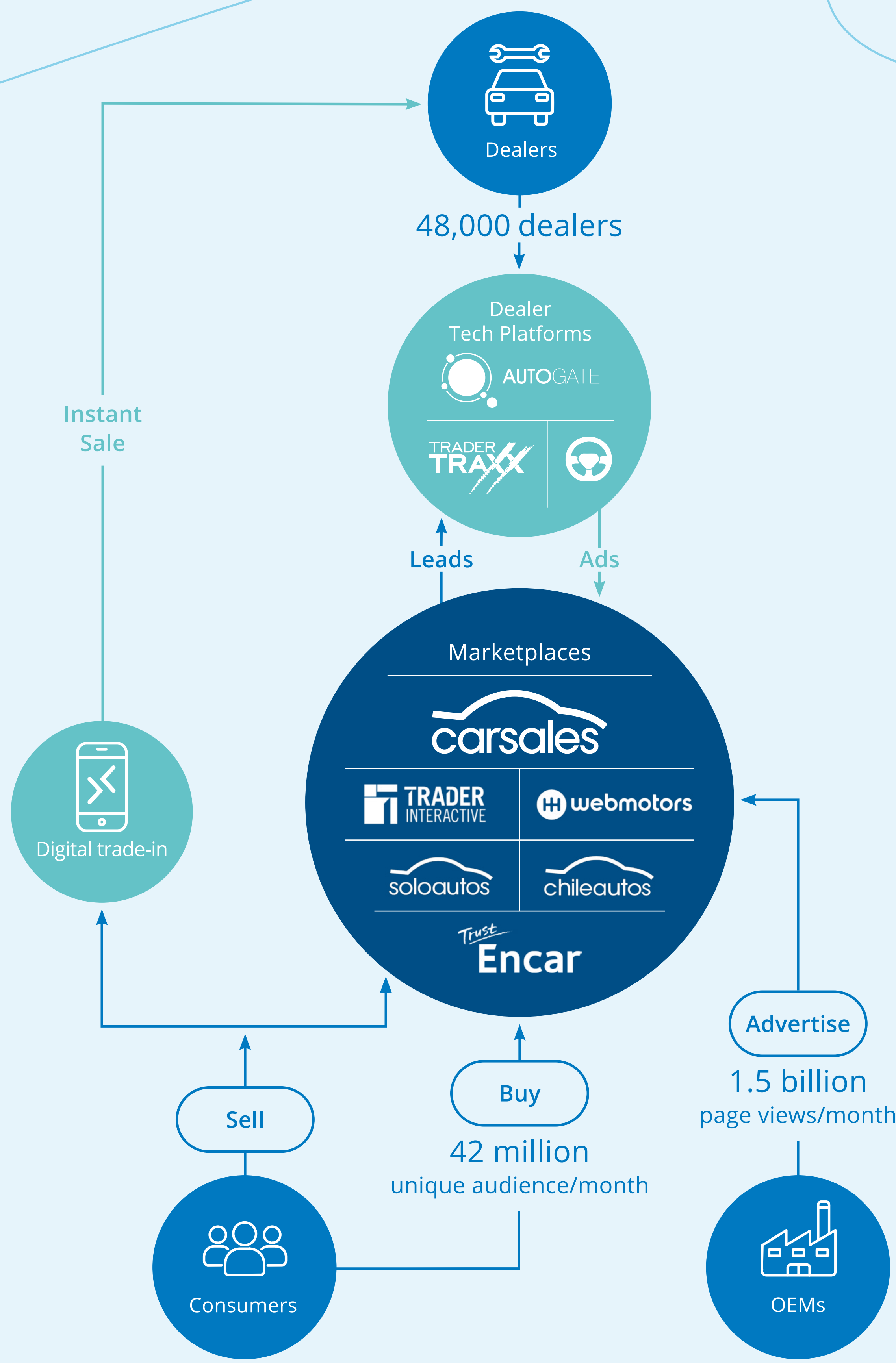
6m Monthly visits **175k** Published inventory

Chileautos is a profitable and strong No.1 player in the Chile market with a strong growth trajectory through increased penetration and monetisation of dealers.

Mexico is an earlier-stage investment. The focus for these assets is to grow market leadership with longer term monetisation upside.

Sessions for websites in Australia, South Korea, United States, Brazil, Mexico and Chile for period 1 Jul 22 – 30 Jun 23. Google Analytics. Inventory published for websites in Australia, South Korea, United States, Brazil, Mexico, and Chile as at 30 Jun 23.

Our Marketplace Ecosystem



Our Growth Engine

Brand	Key Segment	Description	Business Model
carsales	Dealer	Dealer vehicle listing	Subscription and pay per lead
	Private	Private seller listing	Pay up-front until sold
	Media	Digital advertising on websites	Cost per view
	Data Research and Services	Vehicle specification data	Periodic subscription
Trader Interactive	Dealer Marketplace	Dealer vehicle listing	Monthly subscription based on inventory
	Private	Private seller listing	Pay up-front
Trust Encar	Standard Ads	Dealer vehicle listing	Pay up-front until sold
	Guarantee	Encar inspects and certifies car	Pay per car inspected
	Dealer Direct	Digital trade-in	24hr dealer auction, winning dealer pays
webmotors	Dealer	Dealer vehicle listing	Pay per lead
	Finance	Finance application on vehicle ads	Up-front commission on loan commencement
	Private	Private seller listing	Pay up-front until sold

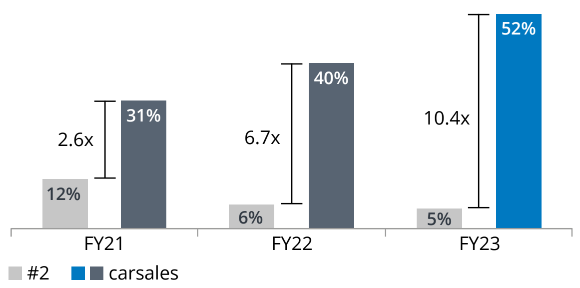
FY23 Key Highlights

Continued growth in market leadership position resulted in strong performance in key dealer, private and media segments.

Marketplaces

- Our focus on a strong value proposition, trust and safety features and achieving outcomes for sellers has further increased our position as the most preferred website to buy and sell cars

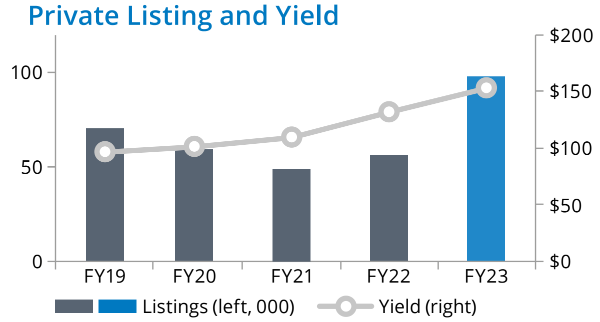
Most Preferred Website[1]



Private Seller

- Increasing market share helped to drive private ad volume to the highest level in our history, reaching 100,000 listings
- We are better aligning our value with price through our dynamic pricing engine, which increased private ad yield 16% vs. FY22

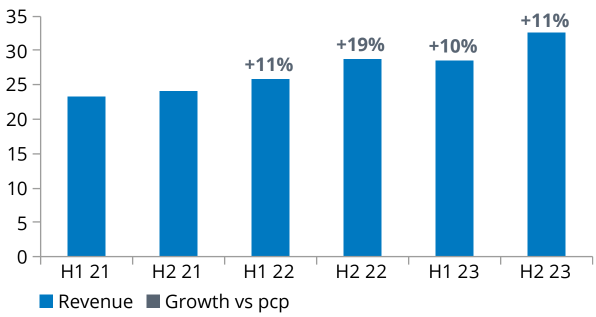
Private Listing and Yield



Media and Membership

- The media segement delivered the fourth consecutive half of double digit growth. This was supported through the continued execution of new products and diversification into non-automotive categories

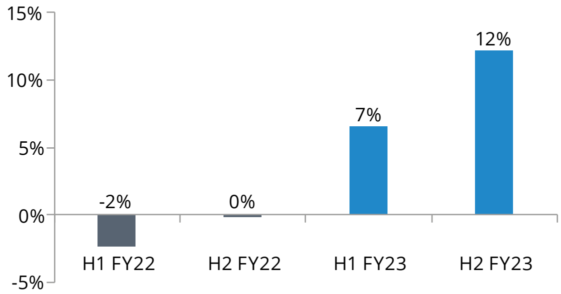
Media Revenue ($m)



Dealer Depth

- Depth products promote dealers' cars to the top of search results
- Growth has increased as dealers look to optimise return on investment on our site and move inventory faster

Depth Growth By Half



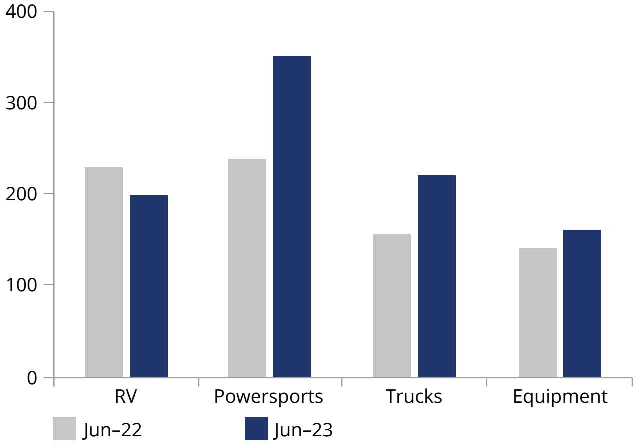
1. Study conducted by independent research agency, Nature Pty Ltd, "market brand health tracker Jun 23". If you had to choose one tomorrow, which one would you most prefer for buying or selling a new / used car? carsales.com.au vs. competitors.

TRADER INTERACTIVE

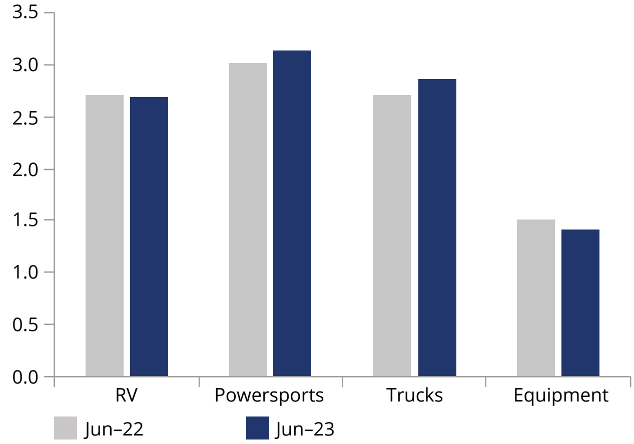
Outstanding performance in first year of full ownership, with strong synergy execution driving growth.

- Completed the acquisition of the remaining 51% of Trader Interactive in October 2022
- Implemented key new dealer products including Lead Amplifier and Premium Select
- Executed on Dynamic Pricing driving good growth in dealer and private ad yield
- Increased dealer subscription volumes by 7%
- Grew inventory levels by 22% vs. pcp with very strong growth in Powersports and Commercial truck industries
- Executed price rises across all industries in March 2023

Published Inventory (000)



Subscribed Dealers (000)



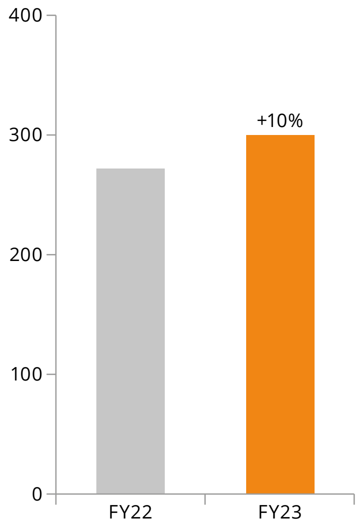
FY23 Key Highlights continued

Good FY23 performance supported by strong execution on Guarantee inspection product.

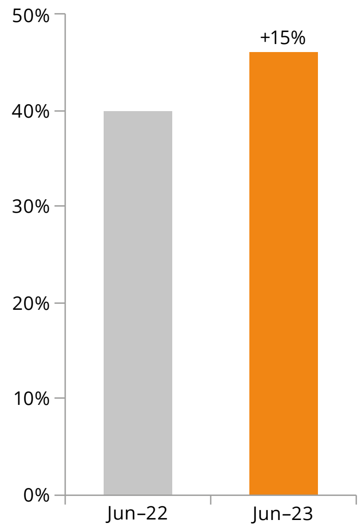
- Strong growth in Guarantee penetration driven by increasing volumes at existing inspection branches and the addition of four new sites
- Good traffic and lead volume growth supported by improving market conditions in the second half of the year
- Encar Home volumes grew strongly, up 43% on pcp with total eligible listings reaching 20,000

1. Google Analytics, sessions for period 1 Jul 22 – 30 Jun 23.

Visits (M)[1]



Guarantee Penetration



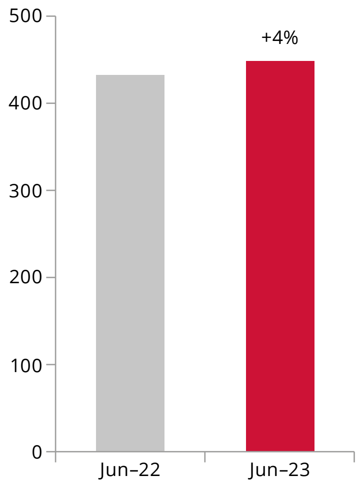
webmotors

Excellent FY23 performance with strong operating metrics leading to double-digit revenue and EBITDA growth with margin expansion.

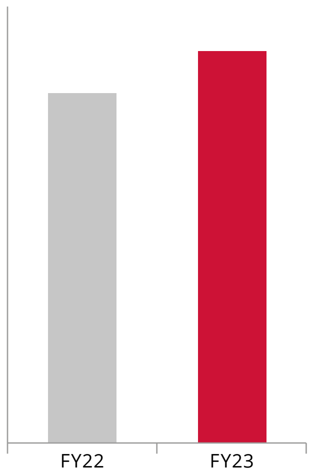
Completed the acquisition of a further 40% of webmotors in April 2023, increasing ownership from 30% to 70%

- Outstanding revenue and EBITDA growth driven by:
  - Double-digit lead volume growth
  - Increase in revenue per dealer (yield) through an increase in premium products and the proportion of chargeable leads
  - 4% increase in inventory with supply conditions normalising
- Dynamic pricing engine implemented in June 2023 increasing private ad yield

Inventory



Dealer Leads



People and Culture

A place where you are truly a big part of something big.

85%

of our global team members recommend carsales as a great place to work*

carsales is a values-driven business fuelled by a strong, purpose-led employer brand. We are passionate about building a world-class culture where our team can be their authentic selves and do their best work.

Our people are our greatest asset and providing them with a supportive, equitable and inclusive working environment ensures that we continue to attract, develop and retain the best talent.

Our competitive advantage lies in our people and our culture, and both of these elements allow us to build and nurture a sustainable company that future generations will be proud of.

*Average score based on aggregated results of all Employee Opinion Surveys run across our global businesses (1,558 respondents).

We are proud to have been recognised for the sustained effort that we have placed into building our first-class culture and being a leader in digital careers.

Awarded to carsales Australia

Awarded to webmotors

Awarded to Chileautos

Awarded to Encar

Many of these accolades have been achieved through our people being surveyed by independent third parties and sharing feedback on their lived working experience at carsales:

- **Great Place to Work® -** eight consecutive years in Brazil and six consecutive years in Australia.
- **Workplace Gender Equality Agency (WGEA)** Employer of Choice and certified Breastfeeding Friendly Workplace for nine consecutive years.
- **Australian Association of Graduate Employers (AAGE)** Top Graduate Employer for four of the past five years, and Top Intern Employer for the past two years.

When it comes to career growth, we provide our people with big opportunities to make a big impact. One of the ways we do this is through our Global Talent Exchange Program, a unique opportunity for our team members to spend four weeks working in one of our businesses around the globe.

No matter which marketplace business our people work in or where they are located around the globe, every member of our team gets to be a big part of something big.

When it comes to career growth, we provide our people with big opportunities to make a big impact. One of the ways we do this is through our Global Talent Exchange Program. This is an intensive, on-the-job equivalent of a student exchange program whereby our people have the chance to build their professional network in one of our global businesses, experience a new culture, language, way of working and business environment, and develop a deeper understanding of how another one of our international businesses operates. We also offer many other learning and development opportunities both locally and globally including mentoring, hackathons, leadership development, web code academies and other soft and technical skills workshops.

Whilst our Group continues to experience significant global growth, we always strive to feel small. Small enough to quickly change tack, learn from different departments, and connect authentically with leadership. We want everyone to be heard, have the opportunity to contribute meaningfully, and grow with the business.

We value feedback from our teams and have multiple mechanisms in place to understand what's important to them. This includes our global Employee Opinion Survey (EOS), which we run twice per year. We also run regular in-country town halls hosted by the local leadership team as well as quarterly global catch-ups hosted by the global Executive Leadership Team (ELT). These catch-ups take place on Zoom and always have the chat and Q&A functionality enabled, which allows any participant to ask a question or raise anything that may be on their mind.

Global Connection

Keeping our teams connected across the globe is important to us. In April, several of our Australia-based global ELT members visited Trader Interactive (US), Chileautos (Chile) and webmotors (Brazil) to hear their thoughts, gain insights and share more about our global business and strategy.

This trip was an opportunity for those teams to connect with our leaders and learn more about the wider carsales group, and the ELT enjoyed seeing the growth opportunities and energy in each of the businesses. The feedback from the trip was overwhelmingly positive, with many comments from team members highlighting our strong people focus. It truly reinforced that we are collectively a big part of something big.

In July we also welcomed our global People, Product and Technology leaders to Melbourne. For many, this was their first time meeting their peers from other businesses across the Group in person, and it was the perfect opportunity to build social connection and collaborate as collective leadership teams. A key theme that ran through each of these teams' offsites was how we continue to work together to grow even bigger and scale.

An Engaged Global Team

An important way for us to understand what drives our people is by seeking out feedback via our Employee Opinion Survey (EOS). We have had a robust engagement framework in place for our Australian business for over a decade. This year, we took that framework global and ran our EOS in each of our international businesses. This represented over 1500 employees, and for the first time we have an aggregated global view on employee sentiment.

Our Australian engagement score remains high at 77%, which is 3% above the New Tech Australia industry benchmark. This benchmark is provided to us by Culture Amp, our survey platform provider, and represents ~1.4 million questions answered by 35,000 employees across 277 Australian organisations. These are highly valuable insights for us as it gives us an indication of how we are performing against the wider technology industry in Australia.

Our global engagement score for the Group is currently sitting at 73%, which is a positive result for our first year of global reporting. We view this score as an opportunity and look forward to seeing it grow as we continue to build on our global employee experience, roll out additional initiatives, and bring our businesses closer together.

The highest scoring factors for the Group were: Diversity (91% favourable), Management (83% favourable) and Work & Life Blend (82% favourable).

We are passionate about providing our people with the flexibility they need to balance their work and personal commitments, and in many of our markets, including Australia, Chile and the US our teams are given the autonomy to choose to work from whichever location they feel they will do their best work in – whether this be one of our offices, their home, or a blend of the two. Our teams greatly appreciate this flexibility, as evidenced by our survey results. We were also pleased to see management score so highly, as providing our people leaders with learning and development opportunities to hone their skills has been a focus across all our markets.

People and Culture continued

Global EOS Highlights (1,558 Respondents, 78% Response Rate)

Statement	Average favourable result
In my organisation gender-based harassment and sexual harassment is not tolerated	93%
I have the flexibility I need to manage work and other commitments	91%
My immediate supervisor/manager genuinely supports equality between genders	88%
I know how my work contributes to the goals of my Company	88%
My manager genuinely cares about my wellbeing	86%
I feel I am part of a team	86%
We hold ourselves and our team members accountable for results	86%
I would recommend carsales as a great place to work	85%
I am able to arrange time out from work when I need to	85%
We have enough autonomy to perform our jobs effectively	84%
I am proud to work for carsales	83%

Diversity, Equity and Inclusion (DEI)

We have long been committed to fostering an inclusive work environment where all our people feel valued, respected and have equal access to opportunities. We embrace and celebrate all the diverse qualities of our team, and remaining focused on this forms part of our 3-year global strategy. Our diverse workforce provides a wide range of perspectives, which allows us to innovate, attract and retain top talent, and better understand and represent our diverse customer base. We tailor our approach to diversity, equity and inclusion to suit the various markets in which we operate. We regularly discuss DEI with our global businesses to gain insights about which groups are currently underrepresented in their communities or facing societal challenges – and as things change, we evolve our strategy accordingly. For carsales Australia, gender diversity remains a challenge and this is why we put much of our focus into initiatives such as our internal Women in Tech program and supporting community organisations including Go Girl Go For IT and CS in Schools.

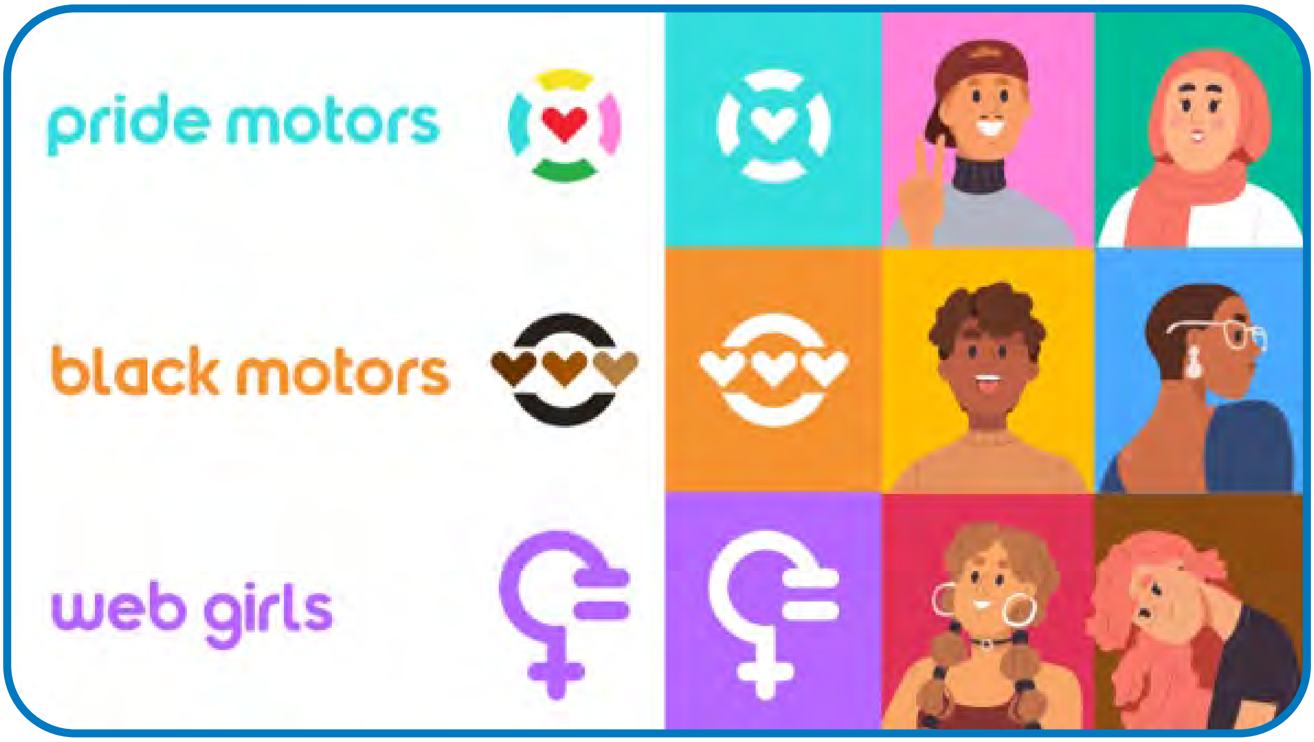
The feedback from our global EOS results indicate that our DEI efforts are well received, with Diversity being the highest scoring factor across the Group, scoring 91% favourable.

In 2023 we were ranked # 24 in the top 100 companies globally for gender equality by Equileap, a leading provider of gender equality data and insights. Equileap reviewed 3,787 companies that are listed on a major index or in one of 23 developed markets, representing 102 million employees globally. Their Gender Equality Scorecard™ consists of 19 criteria including gender balance across the workforce, the gender pay gap, paid parental leave and anti-sexual harassment policies.

This year, the Australian business is proud to have published its first Reflect Reconciliation Action Plan (RAP) (available on our shareholder website), endorsed by Reconciliation Australia. This RAP lays the foundations for implementing meaningful, long term reconciliation initiatives throughout the business and strengthening relationships with Aboriginal and Torres Strait Islander peoples, with the hope that it will assist with growing representation of First Nations peoples within the Company.

The custom artwork created for our RAP and shared here is titled 'Travelling on Country' and tells the story of carsales. This piece was created for us by Riki Salam from We are 27 Creative.

Our webmotors team elevates the voices of minorities within their business through the support of several affinity groups – also known as employee resource groups – including Pride Motors (LGBTIQA+), Black Motors (afro descendants) and Web Girls (females). Anyone in the business can join one or more of these groups that they feel connected to and, with the support of a team leader, meet monthly to discuss topics related to the community that they represent. These groups come up with ideas and initiatives that the business can implement to further support them and build awareness. These affinity groups also play a key role in creating community, fostering a sense of belonging and creating a sense of understanding and allyship across the wider business.



Our people build and deliver our products, provide outstanding service to our customers, and help us to achieve our purpose and deliver on our vision. Our people-focused culture is something that we continually iterate and grow, to ensure it remains our competitive advantage. Most importantly, we are never done – we recognise we have so much opportunity across our market-leading businesses around the globe, and our people are instrumental in achieving and executing on those opportunities. We are proud to have delivered another stellar year with our highly engaged team supporting us and driving our success every step of the way.

Directors' Report

Your directors present their report on the consolidated entity (referred to hereafter as the Group or carsales) consisting of carsales.com Ltd and the entities it controlled at the end of, or during, the year ended 30 June 2023 (FY23).

Operational and Financial Review

Principal Activities

carsales is one of the largest online vehicle marketplace businesses in the world. In Australia, carsales has market leading positions in the automotive, motorcycle, caravan, marine, truck and equipment industries. carsales also has a growing global presence with market leading positions in the US, South Korea, Brazil and Chile. Please refer to Our Strategy and Our Brand Portfolio sections for further information on our strategy and portfolio of businesses.

Our key services, customers and geographies for continuing operations include:

Australia - Online Advertising Services

carsales' Online Advertising Services can be broken into two key product sets – classified advertising and media advertising services.

- Classified advertising allows our private and dealer customers to advertise automotive and non-automotive goods and services for sale across the carsales Network. This segment includes products such as subscriptions, lead fees, listing fees and priority placement services (depth products).
- Media advertising involves carsales' corporate customers, such as automotive manufacturers and finance companies, placing display advertising for their brand or vehicle on carsales' websites. These advertisements typically display the product or service offerings of the corporate advertiser as banner advertisements, video content or other sponsored links.

Australia - Data, Research and Services

This segment comprises a diverse range of solutions for our customers including software as a service, research and reporting, valuations, appraisals, website development and hosting and photography services.

Asia

- South Korea – Encar.com. This is our major business in this segment. Encar.com is the market leading digital automotive classified business in South Korea
- Redbook Asia – provides automotive data services in New Zealand, Malaysia, Thailand and China.

North America

carsales operates digital non-automotive marketplaces in the United States and Canada through its subsidiary Trader Interactive. Carsales moved from 49% ownership to 100% of Trader Interactive in September 2022 and now consolidated the financial performance accordingly.

Latin America

carsales also operates digital automotive marketplaces in Brazil, Mexico and Chile. carsales' operating entity in Brazil is webmotors. carsales increased its ownership stake from 30% of webmotors to 70% in April 2023 and now consolidates the financial performance accordingly. carsales owns 100% of its operating entities in Mexico and Chile.

Investments

This segment comprises the Group's standalone investments in the consumer and wholesale tyre markets and vehicle inspections. The subsidiaries included in this group are tyresales.com.au, tyreconnect and Redbook Inspect.

In addition the Group has investment stakes in PromisePay Pte Ltd and MX51 Pty Ltd, which are accounted for as financial asset investments. These businesses provide innovative fintech products.

Review of Results and Operation

	$A Millions		Growth	
	FY22	FY23	$'s	%
Pro-forma Revenue	798	**942**	144	18
Pro-forma EBITDA	416	**496**	80	19
Adjusted Revenue	510	**781**	271	53
Adjusted EBITDA	271	**425**	154	57
Adjusted NPAT	195	**278**	83	43
Reported Revenue	509	**781**	272	53
Reported EBITDA	269	**400**	131	49
Reported NPAT attributable to owners of carsales.com Ltd	161	**646**	485	301
Adjusted Earnings Per Share (Cents)	66.5	**78.1**	11.6	17
Reported Earnings Per Share (Cents)	54.9	**181.3**	126.4	230
Final Dividend Per Share (Cents)	24.5	**32.5**	8.0	33

Financial Summary

In FY23, the Group achieved Reported Revenue growth of 53%, Reported EBITDA growth of 49% and Reported Net Profit After Tax (Reported NPAT) growth of 301% compared to the year ended 30 June 2022 (FY22 or the prior comparative period (pcp)). In FY23, the Group achieved Proforma Revenue growth of 18%, Proforma EBITDA growth of 19% and Adjusted Net Profit After Tax (Adjusted NPAT) growth of 43% compared to FY22.

The Directors believe the additional information on International Financial Reporting Standards (IFRS) measures included in this report is relevant and useful in measuring the financial performance of the Group. In particular, the presentation of 'Proforma Revenue' 'Proforma EBITDA', 'adjusted net profit' and 'adjusted earnings per share' provides the best measure to assess the performance of the Group by excluding certain non-recurring or non-cash items relating to rebates, M&A costs, restructuring, financing, investments and acquired intangible amortisation from the reported IFRS measures. A reconciliation of reported net profit to adjusted net profit is set out in Note 4(b). Proforma metrics show the business on a like for like basis by normalising for acquisitions made through the period.

Key drivers

Proforma revenue growth of 18% reflects an excellent performance across the Group's portfolio of high quality marketplace businesses. Proforma EBITDA growth of 19% reflects this excellent revenue performance combined with a good balance of investing in key strategic growth areas while sensibly managing discretionary costs. Adjusted net profit after tax was up 43% which reflects the EBITDA growth as well as the contribution from the acquisitions of additional stakes in Trader Interactive and webmotors throughout the year.

$942m ↑18%
Proforma revenue

$496m ↑19%
Proforma EBITDA

$278m ↑43%
Adjusted NPAT

78.1¢ ↑17%
Adjusted EPS

% comparisons show growth vs the prior corresponding period

Segment Review

	A$ Millions		Growth	
	FY22	FY23	$m's	%
Dealer	183.8	**203.0**	19.2	10
Private	69.4	**89.9**	20.5	30
Media	54.5	**60.6**	6.1	11
Online Advertising	307.7	**353.4**	45.8	15
Data, Research and Services	44.1	**45.6**	1.6	4
Australia	351.7	**399.1**	47.3	13
Asia	95.4	**103.9**	8.5	9
North America	195.5	**239.4**	43.9	22
Latin America	99.0	**138.9**	39.9	40
Investments	56.5	**60.9**	4.4	8
Pro-forma Revenue	**798.1**	**942.2**	**144.1**	**18**
Online Advertising	197.8	**229.0**	31.2	16
Data, Research and Services	28.8	**29.6**	0.8	3
Australia	226.6	**258.6**	32.0	14
Asia	48.1	**52.5**	4.4	9
North America	111.2	**140.0**	28.8	26
Latin America	31.8	**47.7**	15.9	50
Investments	(1.9)	**(3.0)**	(1.2)	n.m.
Pro-forma EBITDA	**415.8**	**495.7**	**80.0**	**19**

Australia – Online Advertising Services

- Overall Revenue for the segment was up 15%, reflecting the extension of the Group's market leadership position in Australia, recording double digit revenue growth in each key customer area of Dealer, Private and Media. EBITDA grew 16% with an EBITDA margin of 65%, which reflects good cost management whilst continuing to invest in key growth projects.
- Dealer revenue was up 10% on pcp to $203m reflecting solid growth in revenue from leads, inventory promotion and other value added products. We have continued to provide a compelling return on investment for our dealer customers throughout FY23.
- Private revenue was up 30% on pcp to $89.9m reflecting strong growth in private ad volumes and yield and increasing penetration of our Instant Offer product.
- Media revenue was up 11% to $60.6m which is testament to the execution of our strategy to diversify our product and customer portfolio.

Australia – Data, Research and Services

Data, Research and Services revenue was up 4% to $45.6m, reflecting the continued demand for our Data, Research and Services from OEMs, dealers and corporate customers. There was solid growth from our core Redbook data business which continued to grow volume and yield. Segment Adjusted EBITDA was up 3% on pcp reflecting continued prudent cost management and operating cost leverage.

Asia

carsales Asia revenue was up 9% to $103.9m primarily reflecting the performance of the Encar.com business in South Korea. Revenue growth in South Korea was driven by the increased uptake of the Guarantee vehicle inspection service, more vehicles listed on the site and increasing penetration of the Encar Home (online buying) product. Good growth in Adjusted EBITDA of 9% reflects the good growth in revenue combined with continued investment in key growth initiatives, including expanding the guarantee and online trade in services.

North America

Trader Interactive revenue was up 22% to $239.4m primarily reflecting the excellent growth in dealer volume, dealer yield and private ads. Revenue growth has accelerated since carsales moved to 100% ownership, reflecting the execution of planned product and technology synergies. All verticals are consistently delivering audience traffic growth on pre COVID levels. Excellent growth in Adjusted EBITDA of 26% reflects the strong operating leverage potential of the business as it continues to build scale.

Latin America

Latin America revenue was up 40% on pcp largely reflecting the performance of webmotors in Brazil, where revenue was up 41% on pcp. This resulted from the continued execution of the national expansion plan, which produced a strong increase in dealer numbers and yield volumes. EBITDA growth of 50% reflects this strong revenue growth combined with continued marketing and product investment to support the future growth of the business. The Chile business also performed strongly throughout FY23.

Corporate Governance

carsales is committed to being ethical, transparent and accountable in everything we do.

We believe this is essential for the long-term performance and sustainability of our Company and supports the interests of our shareholders and other stakeholders. The Board of Directors is responsible for ensuring that the Company has an appropriate corporate governance framework to protect and enhance Company performance and build sustainable value for shareholders.

This corporate governance framework acknowledges the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (ASX Principles and Recommendations) and is designed to support our business operations, deliver on our strategy, monitor performance and manage risk. Our FY23 Corporate Governance Statement addresses the recommendations contained in the fourth edition of the ASX Principles and Recommendations and is available on our website at https://shareholder.carsales.com.au/governance/.

Sustainability Report

At carsales, we take our ability to have a positive impact on society extremely seriously.

carsales is pleased that many of its shareholders are interested to learn more about the Company's approach to governance, and its social and environmental impact. To this end, carsales has published its 2023 Sustainability Report, available on our Corporate Governance page of our investor website at https://shareholder.carsales.com.au/governance/.

This report outlines the Company's approach to assessing, mitigating and managing a range of social, environmental and governance ESG risks, which is overseen by the Company's Board and managed by the carsales' Executive Leadership Team. It provides insight into our unique culture, how we attract and retain the very best talent, and seek to have a positive impact on our industry and community. Finally, while we have a low environmental impact as an online business, it addresses the Company's environmental efforts.

At carsales, we take our ability to have a positive impact on society extremely seriously. carsales is pleased that many of its shareholders are interested to learn more about the Company's approach to governance, and its social and environmental impact.

Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023

In this Report

Section 1. Introduction

Climate change is one of the greatest challenges facing our world today. It continues to pose significant risks to our environment, economy and society more broadly.

We believe that all companies have an obligation to do what they can to protect the environment and we intend to remain accountable and take responsibility for implementing positive change.

As a digital business that does not extract or process any materials, we recognise that our environmental impact is low compared to many other companies. However, we acknowledge that our marketplaces facilitate the buying and selling of vehicles which contribute to greenhouse gas emissions.

Our commitment to the environment and a more sustainable future is unwavering, with Sustainable growth being a key pillar of carsales' global strategy. We have implemented a climate strategy which is linked to this and goes beyond addressing our own direct environmental footprint, by also aiming to provide support to our customers, the industries we operate in, and the broader community.

In order to safeguard our business from the effects of climate change, it is vital that our strategy takes into account the potential risks and opportunities, and that we build resilience to withstand the impact of this global issue.

In 2022, our Australian business operations became certified carbon neutral under the Australian Government's carbon-neutral certification program Climate Active. We have continued to take steps to achieve our climate-related targets throughout 2023, and we continue towards our goal of achieving carbon neutrality across our global operations by 2024.

With growing pressure from investors, emerging focus from regulators and continued social pressure, it is increasingly expected that companies provide meaningful and useful disclosure about climate-related risks that could impact their business and how management are responding to these risks. In response, the Taskforce on Climate-Related Financial Disclosures (TCFD) released climate-related financial disclosure recommendations in 2017 designed to help companies provide better information on the above, for greater transparency and to support informed capital allocation.

carsales is committed to the transparent reporting and continuous improvement of its climate-related practices, performance and progress and as such, we have voluntarily adopted reporting against TCFD's recommendations in 2023.

We have prepared this report with reference to the guidance per the TCFD's latest publication 'Implementing the Recommendations of the Task Force on Climate-related Financial Disclosures'. This is the first-time adoption of these recommendations by carsales. Whilst we have made good progress in our climate-related reporting, we acknowledge that further work is required to enhance our reporting, particularly in relation to our international businesses.

This report is structured in line with the four pillars of the TCFD, specifically: Governance, Strategy, Risk management and Metrics and targets.

Governance
The organisation's governance around climate-related risks and opportunities.

Strategy
The actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.

Risk management
The process used by the organisation to identify, assess and manage climate-related risks.

Metrics and targets
The metrics and targets used to assess and manage relevant climate-related risks and opportunities.

These four pillars are supported by 11 recommended disclosures intended to assist users in understanding how the organisation considers and assesses climate-related risks and opportunities.

Summary of the TCFD recommendations and how they have been addressed

Recommendation	Supporting recommended disclosure	Where this is discussed in our report
Governance Disclose the organisation's governance around climate-related risks and opportunities.	• Describe the Board's oversight of climate-related risks and opportunities • Describe management's role in assessing and managing climate-related risks and opportunities	**Section 2: Governance**
Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	• Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term • Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning • Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	**Section 3: Strategy**
Risk management Disclose how the organisation identifies, assesses, and manages climate-related risks.	• Describe the organisation's processes for identifying and assessing climate-related risks • Describe the organisation's processes for managing climate-related risks • Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.	**Section 4: Risk management**
Metrics and targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	• Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process • Disclose Scope 1 and 2 (and Scope 3 if appropriate) greenhouse gas (GHG) emissions and the related risks • Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	**Section 5: Metrics and targets**

Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023 continued

Section 2: Governance

Board

carsales is committed to strong corporate governance, which we believe underpins sustainable value creation for investors and other stakeholders. We have incorporated climate governance into our existing governance framework and are continuing to instill accountability for climate change related risks throughout our business and value chain.

For our Board and Global Executive Leadership Team (Global ELT), the environment remains an important consideration when developing and implementing our strategy, operational plans and objectives.

The key environmental areas of focus which underpin our climate strategy are:

Reducing our emissions, energy management and carbon neutrality

Waste management

Customer and other stakeholder influence

The actions we have taken in relation to the above are detailed further in Section 3 of this report.

Environmental, social and governance (ESG) matters form part of the Company's general risk framework and are often discussed and considered in Board meetings. In addition, to ensure this important area receives the focus it requires, the Board established a Sustainability Committee, chaired by Kee Wong, to provide specialist oversight over ESG matters which may impact on our business, reputation and ongoing sustainability.

All members of the Sustainability Committee are independent of the business and can challenge management on its progress in the area. The Sustainability Committee meets three times per year and operates in accordance with its charter, which is publicly available on the carsales shareholder website at https://shareholder.carsales.com.au/charters/.

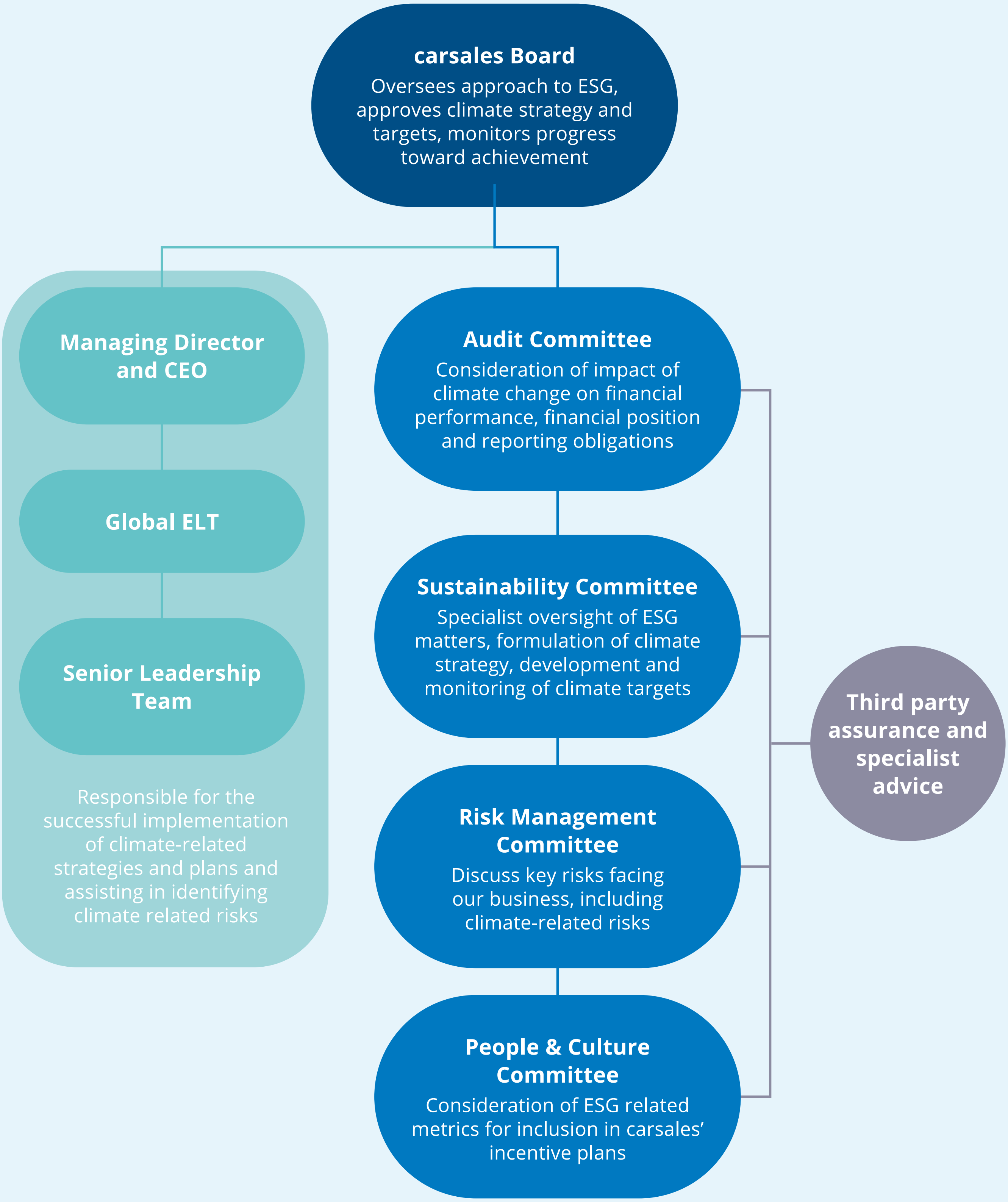
The committee plays a vital role in assisting the Board in developing carsales' climate-related strategies, which are aimed at minimising our impact on the environment.

We have set climate-related targets that support and give direction to our efforts and provide motivation and accountability towards their achievement. These are detailed further in Section 5 of this report.

carsales has formulated specific action plans to ensure that the necessary measures are implemented in order to achieve each target effectively. The Sustainability Committee reports to the Board on the progress towards achievement of these climate-related targets.

The Committee also monitors and reports to the Board on environmental trends and views of external stakeholders, to ensure that we address the important issues as part of our climate strategy.

The following diagram provides an outline of our organisational structure and how climate change is embedded within:



Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023 continued

Management

Climate change is a key strategic and operational consideration for our business. As outlined above, accountability for climate change related risks is embedded throughout our business and as such, all members of the Global ELT and Senior Leadership Team have a level of responsibility for the successful implementation of climate-related strategies and plans and assisting in identifying climate-related risks.

Each of our senior leaders provides insight into their areas of expertise and identify climate change related issues that present the greatest risks and opportunities for carsales.

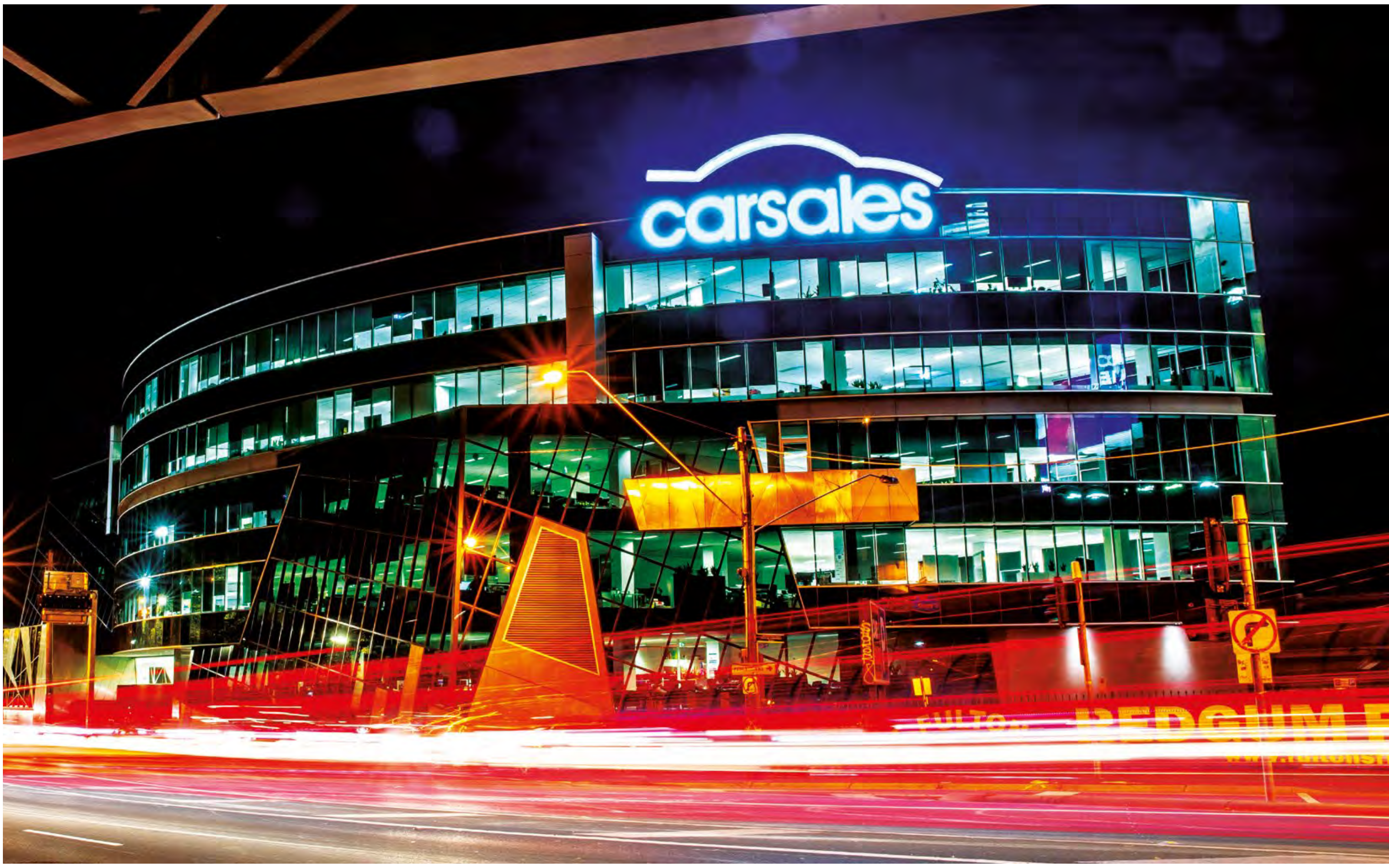
The below table illustrates some examples of this:

Department	Sustainability	Finance	Product / Editorial	Corporate development	All departments
Person in charge	Executive General Manager of Corporate Affairs, Employer Brand and Sustainability, General Counsel and Company Secretary	Chief Financial Officer	Chief Product and Data Officer	Chief Strategy Officer	Various
Responsibility	• Monitoring emerging climate issues • Ensuring compliance with our environmental reporting obligations • Monitoring and calculation of our carbon footprint • Overseeing the implementation of emission reduction initiatives	• Identification and assessment of how climate-related risks and opportunities could impact on the financial performance and financial position of carsales	• Research and monitoring of issues/trends in the electric vehicle market, to develop products or content related to electric, hybrid and other low emission vehicles for our customers and wider community	• Assessment of whether investments are strategically and culturally aligned with carsales and share our commitment to climate change and ESG more broadly	• Meeting assigned emissions reduction objectives*

*Our climate strategy, which is detailed further in Section 3, is accompanied by the formulation of specific objectives and the delegation of responsibility for these to key members of our Global ELT and Senior Leadership Team. These objectives are designed to reduce emissions and waste or implement sustainable products/services and those responsible report on the progress toward achieving them on a regular basis.

Management and the Board also engage external specialists as required, to assist in formulating carbon reduction strategies, evaluating our carbon footprint and to provide third party assurance over the associated emissions data.

Various formal and informal channels are used to share information on climate change and to discuss climate-related risks within the business, including in the regular Global ELT and Senior Leadership Team meetings.



Section 3: Strategy

Our strategic response to climate change

We have continued to progress and build upon our climate strategy throughout 2023, which focuses on what we can do as an organisation to support the transition to a low carbon economy.

This is underpinned by 3 key focus areas:

Reducing our emissions, energy management and carbon neutrality

carsales supports the transition to a low-carbon economy and we are committed to playing our part in reducing greenhouse gas (GHG) emissions and minimising our environmental impact. We believe this is essential for the long-term performance and success of our company.

Our Australian business operations are certified carbon neutral under the Australian Government's carbon neutral certification program Climate Active.

Climate Active Carbon Neutral ORGANISATION

Climate Active curates what is considered one of the world's most rigorous carbon neutrality certifications programs and this achievement solidifies our commitment to minimising environmental impact, reducing emissions, and championing positive climate action. Attaining this certification forms a key part of our broader climate strategy.

The certification was achieved through initiatives aimed at reducing our energy consumption, which includes the energy used to heat, light and power our work premises. An outline of some of these energy reducing initiatives is provided below:

- Installing low wattage, low energy, power efficient globes in all our offices and using lighting sensors to ensure lights are turned off when not in use;
- Employing zoned air conditioning to reduce power and switch off outside office hours;
- Condensing our utilised office space; and
- Moving storage of all carsales data to the cloud.

Further, our Melbourne head office is certified as carbon neutral through the National Australian Built Environment Rating System (NABERS) and has achieved a 4.5-star NABERS energy rating and a 6-star NABERS water rating.

The achievement of carbon neutrality was supported by carbon offsetting initiatives, whereby we offset 100% of our Australian carbon emissions through investment in community, conservation and renewable energy projects, both locally and internationally. During the FY22 year, we offset 7,776 tonnes of CO_2 to neutralise our Scope 1, 2 and 3 emissions.

Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023 continued

Looking ahead

We have implemented an emissions reduction strategy whereby we have committed to reducing our Australian business operations' emissions intensity by 30% per FTE by 2030 compared to our FY2022 baseline. We plan to achieve this through reducing Scope 1 and 2 emissions intensity by 100% and Scope 3 intensity by 20%.

Scope 1 emissions will be reduced by:

- Investigating moving fleet vehicles from internal combustion engine to hybrid or electric vehicles over the next 5–7 years. This will reduce scope 1 emissions by approximately 90%.
- In the interim, we will transition the fuel usage of our fleet from gasoline and diesel to unleaded gasoline with E10 blend. The fuel transition will be as follows: in the next two years, 30% of our fleet will use E10 blend. In the next five years, 50% of our fleet will use E10 blend. In the next 5–7 years, 80% of our fleet will use E10 blend. This will decrease our scope 1 emissions by approximately 80%.

Scope 2 emissions will be reduced by:

- Working with our landlords around Australia to explore continued ways to reduce our energy consumption – including installation of solar, where possible. In addition, we are currently investigating the feasibility of switching to green energy and/or carbon neutral electricity in our offices across Australia and hope to commence transitioning to this over the next 1-3 years, in a phased approach.
- Installation of energy reduction systems e.g. LED lighting.

Scope 3 emissions will be reduced by:

Travel

- Employee educational campaign around the environmental impact of travel.
- Review of travel policies and, where possible, continue to use technology to connect, thus avoiding unnecessary travel and associated environmental impacts. We estimate this will reduce travel by 20%.
- Work with our external travel management provider to ascertain where and how we can travel sustainability and offset emissions at the time of travel. Offsetting our flights will reduce 3.9% of our scope 3 emissions.

Data centres and cloud operations

- Continue to store 100% of our data in the cloud.
- Work with our cloud provider, Amazon Web Services, to determine how we can function in a more sustainable manner in the cloud to reduce our emission footprint as they work towards their own target of being powered by 100% renewable energy by 2025. This will reduce 2.6% of our scope 3 emissions.

Employee commute

- Employee commute is difficult to influence, as it is in the hands of our employees. Where possible, we will encourage our people to switch to public transport, car-pooling, cycling or walking. At our head office in Melbourne, we have end of trip facilities for our team and our location is well connected to many bike paths, making riding to work an attractive option. We also offer our Victorian team the ability to buy discounted 365-day myki passes through the myki Commuter Club, to further encourage our employees to use public transport. This will reduce 20% of emissions from employee commute.

Working from home

- Offer employees educational opportunities on how to save energy in their home office such as considering switching to Greenpower or installing solar panels. This, alongside educating staff on how to improve their waste management practices when working from home, will reduce working from home emissions by 20%.

Postage and Couriers

- Seek out green suppliers that are Climate Active certified and that report on their emissions and/or work with suppliers that have an electric or hybrid fleet. This will reduce 15% of our postage and courier emissions by 2030.

IT equipment

- Seek out green suppliers that are Climate Active certified and report on their emissions.
- Invest in high quality items that do not need to be replaced regularly. We have recently implemented hot-desking in our Melbourne office due to a large proportion of our team now working from home permanently. This will reduce IT equipment emissions by 20%.

Telecommunications

- Seek out green suppliers that are Climate Active and report on their emissions. This will reduce telecommunication emissions by 30%.

Food and Beverage

- For a more accurate measure of emissions, we will investigate a more accurate data capture method in the next three years, to breakdown spend across food types. This will allow carsales to identify the food and beverage types being purchased with the highest emission footprint. From here, we can enforce a policy to phase out these high emitting food and beverage types. This will reduce food emissions by 50%.

Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023 continued

We will continue to look for ways to reduce our greenhouse gas emissions going forward.

carsales is currently progressing in the independent evaluation of its carbon emissions across its international businesses as part of our target to achieve carbon neutrality on a global scale. We are also updating our emissions reduction strategy to include international operations.

Waste management

The major forms of waste generated in our offices include:

- Items such as paper, cans and bottles, which are sorted and recycled;
- Personal waste and non-recyclable materials, mostly going to landfill; and
- E-waste, such as computers, laptops, mobile phones, monitors etc.

We have employed various waste management initiatives to reduce our waste as much as possible, such as:

- Employed sustainable cleaning, waste and recycling practices;
- Purchased 100% recycled paper, where possible;
- Re-used or recycled 85% of redundant electronic equipment, where possible, including donating to charitable organisations.

We have partnered with Tyre Stewardship Australia, which seeks to effectively reduce the environmental, health and safety impacts of passenger tyres which reach the end of their life in Australia each year and develop viable markets for these end-of life (worn out) tyres, including those sold by our tyres business.

Looking ahead

- We are committed to achieving our recycling target of 40% by 2025, for our Australian business.
- We plan to audit our landfill waste to identify if anything else could be recycled. To go further, we will implement circular economy principles and targets to not only recycle waste, but also reuse and repair what we can to avoid e-waste where possible. This will reduce our waste emissions by 50% by 2030.
- We will continue to identify ways to reduce our waste generation and investigate additional ways to divert e-waste from landfill.
- We will share waste avoidance practices via companywide newsletters and will investigate implementing an internal sustainability policy.

Customer and other stakeholder influence

Our customers are the reason we exist and their expectations regarding climate-related issues are critical to us.

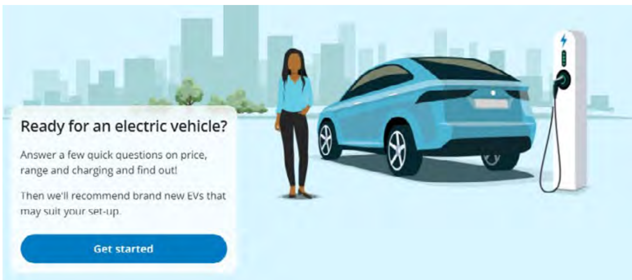
As a marketplace business, we recognise our role as a facilitator in the buying and selling of cars as well as non-automotive leisure, industry and lifestyle assets such as motorbikes, boats, caravans, trucks and the like. All of these assets contribute to greenhouse gas emissions.

The rapid onset of climate change has focused attention on the potential for vehicle choice to play an active role in reducing emissions. The evolution from largely internal combustion engine (ICE) vehicles to battery electric and other low emission vehicles is a significant step change in the industry and carsales has an important role to play in assisting to facilitate this change through the education of our consumers. While it will always be the buyer's right to choose, we believe that buyers should be equipped do so from an informed position.

carsales is already one of the leaders in the provision of independent content related to electric, hybrid and other low emission vehicles in the Australian marketplace. We continuously build out this content to help educate consumers, offer advice, and improve understanding around electric vehicle (EV) adoption.

Our website features an Electric Hub (available at https://www.carsales.com.au/electric-cars/) which is a one-stop shop for all things electric – from the latest EV news and buying advice to expert reviews on all the key EV brands.

This includes EV Ready, a short questionnaire which helps the consumer to determine whether they are "ready" to purchase an EV, then recommends brand new EVs which are best suited to them based on their current set up, budget and driving habits.



We also launched a podcast series called 'Watts Under the Bonnet' aimed at keeping listeners up to date with the latest developments in the world of EVs.

carsales is a member of the Electric Vehicle Council. As a member, we intend to play an active role in driving EV facilitation in Australia. We believe carsales has an important role to play in facilitating this change, whether by providing clear, easy to understand and independent information on new automotive technologies or as a path to reduce emissions.

The number of EVs advertised on carsales.com.au continues to grow, with over 2,000 electric and over 4,000 hybrid vehicle advertisements now appearing on our website[1]. We have also improved our EV search filters to include battery range, capacity and plug type, making it easier for consumers to search for EVs.

Globally, there are over 6,000 electric and over 13,000 hybrid vehicle advertisements appearing across our marketplaces[1].

1. Data as of 30 June 2023.

Key climate risks and opportunities

In developing our broader climate strategy, we have performed a qualitative assessment whereby we considered the most material climate-related risks affecting our business, the potential impact and how we plan to manage these risks. We understand that climate change also poses an opportunity for our business and as such the relevant opportunities have also been considered as part of our assessment.

The principle of 'materiality' helps us to prioritise the issues of greatest importance to our company. By focusing on the most material issues, we aim to maximise our contribution towards a greener future and create meaningful and sustainable value for our business and stakeholders. Management is responsible for determining the risks which are considered material in line with the carsales risk management framework and proposing the risk rating assigned to each, for consideration of the Board and Sustainability Committee. The level of inherent risk and also the presence of any mitigating factors and controls are considered when determining the risk rating (low, medium or high). The risk rating and timeframe allows the Board and Global ELT to prioritise each risk accordingly.

Risks are also categorised dependent on whether they are risks related to the transition to a lower-carbon economy (Transition Risks) or risks related to the physical impacts of climate change (Physical Risks).

We considered the potential impacts of each material risk and opportunity on the business and its operations across various time horizons – short (1-5 years), medium (5-15 years) and long term (15+ years), as well as under three climate change scenarios aligned to those of the Intergovernmental Panel on Climate Change (IPCC), being global warming of 1.5°C, 2.0°C and 4.0°C above pre-industrial levels by 2100.

Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023 continued

Key climate risks and opportunities facing carsales

Risk	Risk type	Risk rating	Potential strategic, business and financial impact	Is it also an opportunity?	carsales' response	Time-frame	Relevant scenarios
Increased environmental awareness and demand for sustainable products and services	Transition	High	With increased awareness of the environmental impact of ICE vehicles, consumer preferences may continue to shift towards EVs or more fuel-efficient vehicles. This presents a risk that demand for our online marketplaces declines, thus adversely impacting our financial performance, if we do not adapt accordingly. As EV OEMs continue to penetrate the vehicle market, there is a further risk for our business given that many EV manufacturers operate via direct selling models instead of via dealerships and online marketplaces. In addition, there is a risk that dealerships (our primary customers) become less profitable as EVs require less servicing.	Yes - if we can adapt our business model and product offerings globally to suit the change in consumer preferences and OEM operating models, this also presents an opportunity for our business to strengthen our market position.	We aim to be a market leading digital marketplace for EVs and fuel-efficient vehicles. We will continue to adapt to the changing landscape and consumer preferences and seek to capitalise on opportunities presented by electrification. We will also continue to help educate consumers and explore new ways to improve understanding around EV adoption.	Short term	All scenarios (1.5°C, 2°C, 4°C)
Environmental impact of the Online Tyre Retail and Wholesale business	Transition	Medium	Awareness of the environmental impact of our tyres business is increasing, specifically in relation to the disposal of worn-out tyres and the diesel emissions caused by freight to customers. There is a risk that demand for our tyre products will decline if we cannot demonstrate a commitment to reducing the carbon footprint of our tyres business.	Yes - optimising freight to customers and therefore diesel consumption represents an opportunity to reduce freight costs and therefore increase profitability.	Our tyres business has partnered with Tyre Stewardship Australia, which seeks to responsibly dispose of or develop viable markets for end-of life tyres. We are working on optimising our freight to customers to reduce the frequency of deliveries and therefore reduce diesel emissions.	Short term	All scenarios (1.5°C, 2°C, 4°C)

Risk	Risk type	Risk rating	Potential strategic, business and financial impact	Is it also an opportunity?	carsales' response	Time-frame	Relevant scenarios
Reputational risk due to connection with the automotive industry	Transition	Medium	The automotive industry is subject to public scrutiny due to its impact on the environment. Given our role in facilitating the buying and selling of vehicles, there is a risk of brand impact and reduced demand for our products and services if we fail to demonstrate a contribution towards climate change mitigation. There is also a risk that we do not meet the ESG criteria of investors, limiting access to capital required to fund projects and expansion plans, given the increasing focus placed on ESG factors when making investment decisions.	Yes - this presents an opportunity if we can meet the expectations of our consumers, investors and other stakeholders and present ourselves as a leading company with respect to our climate response.	We are certified carbon neutral in respect of our Australian business operations and have committed to achieving carbon neutrality globally. Clear and time bound emissions and waste reduction targets have been set and reporting on the progress towards these targets to the market will take place annually. Refer to Section 5 of this report. In addition, we continue to help educate consumers, offer advice, and improve understanding around EV adoption. The appropriate structures and processes are in place to allow for continuous monitoring of emerging climate-related issues, so they can be addressed promptly and appropriately. Refer to Section 2 of this report. We continue to make progress in our climate-related reporting, including adopting the TCFD recommended disclosures in FY23.	Short to medium term	All scenarios (1.5°C, 2°C, 4°C)

Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023 continued

Risk	Risk type	Risk rating	Potential strategic, business and financial impact	Is it also an opportunity?	carsales' response	Time-frame	Relevant scenarios
Acquired businesses not operating in accordance with carsales' sustainable growth strategy	Transition	Medium	A key pillar of carsales' global strategy is to deliver long term growth through early stage investments and to continue to invest in inorganic growth that extends or deepens our core business globally. There is a risk that businesses we acquire are not operating in an environmentally conscious manner, representing an inconsistency with our sustainable values. This could result in damage to our brand and reputation.	No	Detailed due diligence processes are undertaken prior to the completion of any acquisition or early stage investment. All investments must be strategically and culturally aligned with carsales and share our commitment to ESG. We are currently working with our international businesses to achieve carbon neutrality globally by 2024. Knowledge sharing on environmentally friendly practices as well as opportunities presented by electrification takes place across our global business.	Short to medium term	All scenarios (1.5°C, 2°C, 4°C)
Increased costs associated with climate action	Transition	Low	Climate action poses a financial risk to our business in the form of increased costs, including: • Those to ensure adherence to any newly introduced climate regulations, or monetary penalties and further legal proceedings for non-compliance. • Those involved in implementing resource efficient and sustainable practices.	Yes - implementing sustainable practices presents an opportunity to enhance our reputation as a climate conscious organisation, improve employee satisfaction, retention and attraction, achieve energy efficiency and reduce exposure to future fossil fuel price increases in the long term.	We are continuously monitoring for changes to or introduction of new climate-related regulations which impact our business. Implementing sustainable practices is key to achieving our climate strategy and demonstrating our commitment to the environment. While we acknowledge that the implementation of these practices will require considerable investment, the associated cost is lower on a relative basis given carsales' emission intensity is low when compared to other companies. Further, we believe that the long-term benefits to our company and society more broadly greatly outweigh the costs.	Short to medium term	All scenarios (1.5°C, 2°C, 4°C)

Risk	Risk type	Risk rating	Potential strategic, business and financial impact	Is it also an opportunity?	carsales' response	Time-frame	Relevant scenarios
Increase in cost of resources due to scarcity concerns	Transition	Low	As resources such as fossil fuels become more scarce, the cost of producing electricity may increase, meaning higher utility costs for our business and our consumers. Further, if the price of crude oil and battery metals increase due to limited supply, the cost of purchasing and operating a vehicle may increase.	No	We believe that our energy reduction initiatives (outlined earlier in this section) will work to reduce our exposure to electricity price increases. We continue to explore ways to further reduce our energy consumption. Our digital marketplaces offer a wide range of vehicles for all budgets and also include fuel efficient vehicles, thus providing options for consumers looking for a vehicle which costs less to purchase and operate. While the cost of resources required for EV batteries may increase due to scarcity concerns, we expect the overall cost of EVs to decline as technology advances and production scales up.	Medium term	All scenarios (1.5°C, 2°C, 4°C)
Increased frequency/ severity of extreme weather and climate-related natural disasters.	Physical	High	Major weather events such as floods and bushfires could present a disruption to our operations. It also poses a risk to the safety of our staff and customers and a risk of increased operational and insurance costs. Such weather events could also impact automotive and recreational vehicle dealers, who are our key customer segment, resulting in them being unable to operate for a period of time and impacting on our revenue generating ability.	No	Our crisis management plan is reviewed regularly to ensure it remains up-to-date and relevant in order to respond to extreme weather events. Further, we ensure our office staff are equipped to work from remote locations. The risk of natural disasters impacting our dealer network is mitigated given dealers are dispersed across the countries we operate in. As demonstrated during the COVID-19 pandemic and other recent extreme weather events, we are able to support our customers where possible in the occurrence of such events.	Medium to long term	2°C and 4°C scenarios

Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023 continued

Resilience of carsales' strategy

At carsales, our vision is to create #1 digital marketplaces for vehicles around the world and we are passionate about exceeding the needs of our customers, achieving sustainable growth and building a world-class working culture.

The completion of the above analysis has helped to strengthen our understanding of the climate-related risks faced by our business, our response to those risks, the associated mitigating factors and thus the resilience of our strategy.

Overall, we consider that our exposure to both physical and transitional risks is lower relative to other companies. Nonetheless, we have the appropriate structures and processes in place to respond to these risks and are well-positioned to navigate a range of possible climate outcomes. We will continue to test the resiliency of our strategy to emerging climate risks and against each climate change scenario.

As the world continues to adapt and respond to climate change, opportunities for our business will emerge and evolve. We will adapt and build upon our climate and broader company strategy in order to capitalise on these opportunities as appropriate.

We aim to continue investing in emission reduction initiatives and the development of new products and services that support the transition to a low carbon economy, as well as further educating our employees and consumers.

Section 4: Risk management

We view climate change as a risk for carsales as it poses a threat to many facets of our business, while also presenting various opportunities. Climate-related risk management is integrated with our existing risk management framework.

Environmental and climate-related risks continue to gain increasing attention and visibility, and are constantly evolving. Therefore, it is essential to monitor and respond to emerging trends, regulatory changes and potential for disruption across the industry and we believe that we have the appropriate structures in place to do so.

carsales has a comprehensive risk management process to identify, assess, mitigate, control and monitor business, financial and climate-related risks.

carsales' Board is responsible for ensuring that there is an appropriate corporate governance framework in place to protect and enhance our performance and build sustainable value for our shareholders. The Board Charter states that it is the responsibility of the Board to ensure that the significant risks facing the company have been identified and that adequate control, monitoring and reporting mechanisms are in place. This includes climate-related risks.

The Risk Management Committee (RMC) was set up to assist the Board in carrying out its risk management responsibilities. The RMC approaches its risk oversight based on the company's level of ownership of operations locally and offshore. Climate-related risks are also managed by our Sustainability Committee.

We recognise that managing risk is a continual process and an integral part of the management of the business. In addition to the RMC, the company has a separate management committee comprising Global ELT and Senior Leadership Team members, to assist in tracking and escalating risks.

carsales maintains a formal risk register which captures material and other potential risks to the business and assesses the nature, likelihood and materiality of the impact of each risk. carsales uses the results of the assessment to inform its risk management strategy. A review and update of its formal risk register is conducted at least twice a year.

Each risk on the company's risk register has at least two owners – including at least one Global ELT member and at least one senior manager. The risk owners are tasked with monitoring the risks by reference to agreed metrics and reporting on these metrics periodically to the Board, as well as formulating appropriate responses and control measures.

Our Risk Management Policy demonstrates commitment to the principles of risk management and ensuring a consistent and effective approach to managing risk within the workplace, including climate-related risks.

Further, we maintain good working relationships with external advisers, who provide insight into specialist areas such climate change risk and carbon management.

Please refer back to Section 3 for climate risks identified and our response to each.

Our approach to risk management is detailed further in carsales' 2023 Sustainability Report: https://shareholder.carsales.com.au/governance/

Section 5: Metrics and targets

Climate-related targets: Managing our climate impact

We have set targets that support and give direction to our efforts and provide momentum, motivation and accountability towards their achievement.

We have also linked each target to the United Nations (UN) Sustainable Development Goals (SDG), to demonstrate how our efforts contribute towards a global common goal of addressing the world's most urgent sustainability challenges and creating a better future for all.

Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023 continued

The table below details our climate-related targets, how we are progressing against each and the next steps to be taken:

Target	Status	Next steps	Relevant SDG goal	Relevant SDG target
Existing from FY22				
Carbon neutrality of AU business operations	Achieved and ongoing	We will maintain carbon neutrality by: • Continuing to invest in carbon offset projects that align to our business strategy. • Progressing the emissions reduction strategy for our Australian business.	7) Ensure access to affordable, reliable, sustainable and modern energy for all. 12) Ensure sustainable consumption and production patterns.	7.3) By 2030, double the global rate of improvement in energy efficiency. 12.2) By 2030, achieve the sustainable management and efficient use of natural resources.
Implement carbon emissions reduction strategy with timebound targets for the Australian business	Achieved (see below)	See below for timebound targets which have been set to assist in achieving our emissions reduction strategy.		
Achieve carbon neutrality across controlled global operations with emission reduction strategy, by 2024	In progress	The next step will involve completing the baseline greenhouse gas (GHG) inventory assessment for our international operations. This will allow us to commence investment in projects to offset our global carbon footprint and implement a carbon emissions reduction strategy for our international businesses.		
Report against TCFD	Achieved and ongoing	This report has been prepared with reference to the recommendations of the TCFD. We will continue to evolve our environmental reporting to meet the requirements of the relevant frameworks and our stakeholders' expectations.	12) Ensure sustainable consumption and production patterns.	12.6) Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.

Target	Status	Next steps	Relevant SDG goal	Relevant SDG target
New in FY23				
Reduction in our emissions intensity per FTE by 30% by 2030 compared to a FY22 baseline, for our Australian business operations	In progress	To achieve this target, Scope 1 and 2 intensity will be reduced by 100% and Scope 3 intensity emissions reduced by 20%. Our emissions reduction strategy is detailed further in Section 3.	7) Ensure access to affordable, reliable, sustainable and modern energy for all. 12) Ensure sustainable consumption and production patterns.	7.3) By 2030, double the global rate of improvement in energy efficiency. 12.2) By 2030, achieve the sustainable management and efficient use of natural resources.
Implement carbon emissions reduction strategy with timebound targets for our international businesses by 2025	Future activity	To be commenced following completion of GHG inventory assessment. This will also be informed by the learnings from our Australian emission reduction strategy.		
Recycling target for 2025 of 40% for our Australian business	In progress	To achieve this, we will audit landfill waste monthly to identify if anything could have been recycled. Further, we will investigate additional ways to divert e-waste from landfill and educate our staff on recycling and waste avoidance practices.	12) Ensure sustainable consumption and production patterns.	12.5) By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.

Our current emissions reduction strategy outlines our commitment to reducing our Australian business operations' emissions intensity by 30% per FTE by 2030 compared to our FY22 baseline. The Science Based Targets initiative (SBTi) advises that a company's targets should be determined on a baseline that uses the same methodology that an organisation is currently using to establish its footprint. As we are currently in the process of determining our global emissions footprint. carsales intends to release revised targets in FY24 once we have a clear understanding of what our global footprint looks like. We will provide further information on this once the project has been completed, along with a global emission reduction plan to achieve these targets.

Taskforce on Climate-Related Financial Disclosures (TCFD) Report 2023 continued

Climate-related metrics: Measuring our climate impact

Our total greenhouse gas emissions

Pangolin Associates Pty Ltd were engaged to conduct a comprehensive assessment of the GHG emissions accountable to the Australian operations of carsales in FY22 during our Climate Active data collection process.

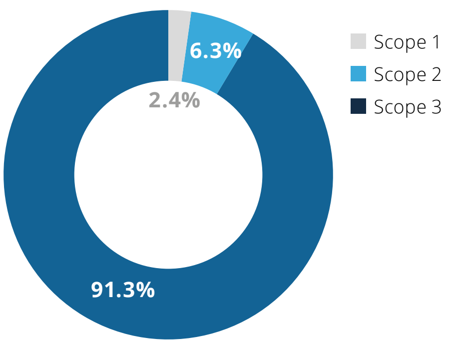
This included the subsidiaries of Automotive Data Services Pty Ltd, Automotive Exchange Pty Ltd, Tyresales Pty Ltd, Tyreconnect Pty Ltd, CS Motion Australia Pty Ltd, CS Motion Technologies Pty Ltd, CS Motion Development Pty Ltd, Lformation Pty Ltd, i-Motor Pty Ltd and Redbook Inspect Pty Ltd.

Based on best available data, the estimated total carbon emissions for carsales was 7,689.5 tonnes of carbon dioxide equivalents (tCO_2-e). This total includes indirect contributions along the supply chain (scope 3 emissions). Excluding scope 3 emissions, our carbon emissions were 672.6 tCO_2-e.

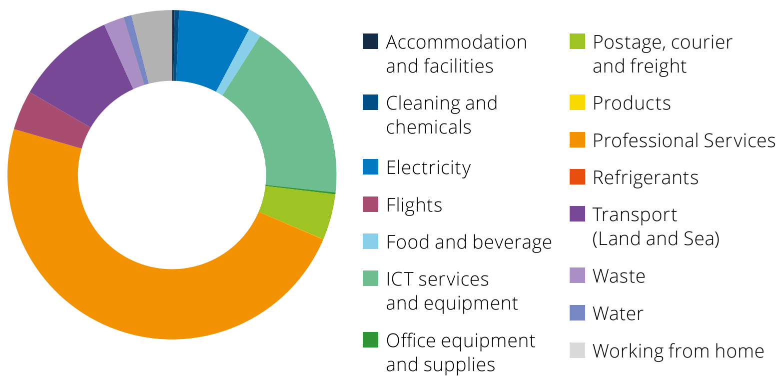
The results of our assessment are summarised below:

Operational Boundary	Associated Inventory/Service	(tCO_2-e/yr) 2022	(tCO_2-e/yr) 2021
Scope 1	Transport fuels (land and sea), Refrigerants	185.6	194.3
Scope 2	Purchased electricity	487.0	622.3
Scope 3	Accommodation and facilities, Cleaning and chemicals, Food and beverage, Flights, ICT services and equipment, Office equipment and supplies, Postage, courier and freight, Products, Professional Services, Waste, Water, Working from home.	7,016.9	3,324.6
Total		**7,689.5**	**4,141.1**
Scope 1 & 2		**672.6**	**816.6**

Emissions by Scope



Emissions by Type



Methodology

The GHG assessment and the calculation of emissions was prepared in accordance with *The GHG Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)*, as per the TCFD's recommendations, as well as the following guidelines:

- *Corporate Value Chain (Scope 3) Standard published by the World Resource Institute (WRI) and World Business Council for Sustainable Development (WBCSD)*
- *International Standards Organisation ISO 14064-1:2018 Greenhouse gases - Part 1: Specification with guidance at the organisation level for quantification and reporting of greenhouse gas emissions and removals*
- *Australian National Greenhouse Accounts Factors (https://www.dcceew.gov.au/sites/default/files/documents/national-greenhouse-accounts-factors-2022.pdf)*

Our assessment includes all GHGs covered by the Kyoto Protocol, in addition to carbon dioxide. These are then multiplied by their relative Global Warming Potential (GWP), which is an index used to convert the non-carbon dioxide gases to a carbon dioxide equivalent.

The GHG reporting period is aligned to the previous financial reporting year. As mentioned above, the emissions reported currently only include our Australian operations. The completeness and timeliness of our GHG reporting will improve each year as we revisit and refine the methodology and underlying dataset.

Our GHG emissions data has been verified by GPP Audit Pty Limited, an independent 3rd party.

Our Board

Patrick O'Sullivan
Non-Executive Chair

Pat is the Chair of the carsales Board of Directors, a position he has held since 2019, having been a Director of the Company since 2007.

Pat is a member of The Institute of Chartered Accountants in Ireland and Australia, and a graduate of the Harvard Business School's Advanced Management Program.

Pat is currently the Chair of the Board of Technology One Limited and SiteMinder Ltd.

Previously Pat was the Chief Operating Officer and Finance Director of Nine Entertainment Co Pty Limited (formerly PBL Media Pty Ltd), a position he held from February 2006 until June 2012. He also served as a Director and Company Secretary of Nine Entertainment Co Pty Limited and was Chair of Ninemsn.

Pat brings immense financial, regulatory and governance expertise to the Board, and was the Chair of the Audit and Risk Management Committee prior to being appointed as Chair of the Board. Pat also provides the Board with valuable insights relating to operations of global companies.

Cameron McIntyre
Chief Executive Officer and Managing Director

Cameron was appointed Managing Director and CEO of carsales.com Ltd in 2017. Prior to this, Cameron held the positions of Chief Operating Officer (from October 2014), and Chief Financial Officer and Company Secretary for the previous seven years, including for the IPO of the Company in 2009. Cameron has over 29 years' of finance and operational experience.

Cameron holds a degree in Economics from La Trobe University, Melbourne, is a graduate of the General Management Program at Harvard Business School and is a Fellow Certified Practising Accountant (FCPA).

Cameron brings unparalleled knowledge of the business and significant experience in strategy, mergers and acquisitions and management to the Board.

Wal Pisciotta OAM
Non-Executive Director and Co-Founder

Wal has more than 35 years' experience in supplying computer services to the automotive industry and was Chair of the Company's Board from its inception until August 2015.

Wal holds a Bachelor of Science degree in Business Administration from the University of Alabama (United States). He was recognised with the Medal of the Order of Australia for his services to the Australian Automotive Industry in the 2016 Queen's Birthday Honours.

Wal brings to the Board consummate knowledge of the IT needs of the automotive industry as well as his extensive knowledge of the business, having been a driving force from its founding.

Kim Anderson
Non-Executive Director

Kim has more than 30 years' of experience as a CEO and senior executive in a range of marketing and media companies including Southern Star Entertainment, PBL and Ninemsn and Reading Room Inc (bookstr.com) of which she was CEO and founder.

Kim is currently a Non-Executive Director of InvoCare Limited, Infomedia Limited, SiteMinder Limited and the Sax Institute, a national not-for profit leader in promoting the use of research evidence in health policy. She was formerly a Non-Executive Director of Marley Spoon AG and WPP AUNZ until the completion of its takeover by WPP PLC in April 2021. She has also served as a Fellow of the University of Sydney Senate.

Kim holds a Bachelor of Arts from the University of Sydney and a Graduate Diploma in Library Information Science from UTS.

Kim provides an abundance of experience and knowledge in the marketing, media and entertainment industries. Kim also has extensive experience on ASX listed boards, including as Chair of Remuneration Committees and is the Chair of the Company's People and Culture Committee.

Edwina Gilbert
Non-Executive Director

Edwina holds a Bachelor of Laws and Bachelor of Arts from Sydney University, practising commercial law before transitioning into the automotive industry. Edwina has worked in the automotive industry since 2003 as Managing Director until 2020 and is currently the Chair of the Phil Gilbert Motor Group.

Edwina has held numerous Industry Advisory positions including NSW Chair of the Hyundai Dealer Council from 2010 to 2015. She is currently on the board of the peak industry body representing franchised new car dealers in Australia, the Australian Automotive Dealer's Association.

Edwina brings significant OEM knowledge along with executive experience operating dealerships with a digital first marketing approach and has deep operational and commercial acumen. Edwina has chaired the Company's Risk Committee since it was established in January 2019.

Kee Wong
Non-Executive Director

Kee is an entrepreneur with a Bachelor of Engineering (Hons.), a Graduate Diploma in Computing and an MBA. Kee was awarded a Fellow of Monash University in 2010 and Distinguished Alumni in 2014. He has started several businesses and has made investments across a number of industries, which include technology services, retail, food and beverage, trading and property.

Kee was a senior executive at IBM running part of its e-business group in the Asia-Pacific region, including Australia and New Zealand. He is founder and Managing Director of e-Centric Innovations, an IT/Management consulting firm operating in Australia, Malaysia and Singapore. Kee is currently a Non-Executive Director of the Australian Energy Market Operator and InvoCare Limited and is the Chair of the Company's Sustainability Committee.

Kee expands the Board's knowledge of technology and product, and enhances the entrepreneurial spirit of the Board, as well as providing valuable insight into markets outside of Australia in which the Company operates.

David Wiadrowski
Non-Executive Director

David has over 25 years' experience as a partner of PwC, including 5 years as the Chief Operating Officer of PwC Assurance where he was responsible for managing the firm's largest business unit, and 5 years practicing in the firm's Indonesian office, where in addition to his responsibility as an audit partner he was responsible for the firm's IT platform.

David has extensive experience working with companies in the technology, infocoms and entertainment and media industries, having been the lead audit partner for clients including Network Ten, APN News and Media and Yahoo during his time with PwC.

David holds a Bachelor of Commerce from the University of NSW and is currently a Non-Executive Director of oOh!Media Ltd and Life 360 Inc and Chair of WageSplitter Pty Ltd.

In addition to his outstanding financial credentials, David brings strong commercial acumen to the Board, derived from his extensive experience at PwC and board roles.

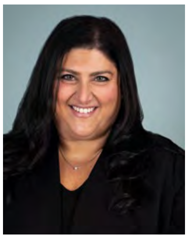
Susan Massasso
Non-Executive Director

Susan has over 25 years' experience focused on both strategy and operations for brand-led businesses in transformative scale-up or turnaround growth with multi-product, multi-channel portfolios across diverse international markets.

More recently Susan was the Chief Growth and Brand Officer for The a2 Milk Company. In that role, she had responsibility for all aspects of customer experience, brand development and innovation; co-led the company's ASX listing; and had shared responsibility for the global P&L, business growth strategy, and crisis and risk management programs.

Susan is currently a Non-Executive Director and member of the remuneration committee for Made Group, Deputy Chair and member of the Audit, Finance and Risk Committee of St Aloysius College and Managing Partner of reThink | Massasso Advisory Group, where she advises a diverse range of brand-led organisations, early stage founders and emerging leaders.

Susan holds a Bachelor of Commerce (Accounting and Marketing) from the University of Sydney and is a graduate of the Australian Institute of Company Directors.



Nicole Birman
Company Secretary

Nicole is an experienced General Counsel and Company Secretary with 20 years' experience in the law, primarily working with online businesses.

Nicole holds a Bachelor of Laws (Hons) and Bachelor of Arts from Monash University, and a certificate in corporate governance from INSEAD Business School. Before joining carsales, Nicole was in-house legal counsel for Medibank Private Ltd and REA Group Ltd. Prior to this Nicole worked for Minter Ellison, one of Australia's premier legal firms, with a focus practice area of intellectual property.

Our People and Culture Chair's Message

Dear Shareholders,

On behalf of the Board, I am pleased to present carsales' FY23 Remuneration Report.

This year the business has delivered strong double-digit revenue and EBITDA growth, whilst continuing the Company's expansion into international markets with the acquisition of Trader Interactive and increasing our ownership of webmotors.

These investments are the result of a very well-executed growth and acquisition strategy, leveraging the Company's core expertise while showcasing the business's ability to successfully integrate and realise the benefits of transformative acquisitions.

This strong performance has again delivered positive outcomes for shareholders this financial year, including maintaining our attractive dividend policy.

Company Performance

The Company has again produced strong results in FY23, summarised as follows:

- 18% proforma revenue growth, 19% EBITDA growth and 43% Adjusted NPAT growth.
- 78.1 cents Adjusted Earnings Per Share (EPS) from continuing operations, reflecting a CAGR of 11.5% from FY21–23.
- Ranked in the 73rd percentile for Relative TSR from FY21 to FY23.

Executive KMP Changes in FY23

To support the Company's international expansion and to reflect the importance of the contribution that these businesses make, in March 2023 the Executive Leadership Team restructured to include the CEO's of each of our international businesses.

This change was designed to support the ongoing growth within each business, ensuring a Group focus where competitive advantage through intellectual property and synergies can be achieved. This was a well-timed and executed strategic change and is already seeding the strong performance outcomes that you can see in this Annual Report.

As a result of this change, Paul Barlow, Managing Director of carsales Australia, is no longer classified as a KMP, effective 1 March 2023. Paul's role has primary accountability for the Company's Australian operations, which by design, has less focus on the broader carsales Group. This is consistent with the approach to the Company's CEOs in each country.

The Board is pleased to see the depth of talent that the Company has in all its international businesses. The evolution of the ELT structure to a global leadership group is reflective of where the business is today, and pleasingly provides additional pipelines for succession planning and career paths within the organisation.

Remuneration Outcomes

All FY23 remuneration outcomes align with the strategic objectives and performance outcomes of the Company for the fiscal year. The Board's approach to remuneration ensures alignment between employee and shareholder outcomes.

Below is a summary of Fixed Remuneration, STI and LTI outcomes:

FY23 Remuneration Changes

- Managing Director & Chief Executive Officer Cameron McIntyre's fixed remuneration increased by 10% in FY23. With Cameron's last fixed remuneration change being in FY21, this increase was important to continue to align his role with market benchmarks, to reflect the growth in the size and accountability of his role and to reward Cameron's continued strong performance.
- Chief Financial Officer, William Elliott, received an increase of 16.7%, which is to continue to align his role to market benchmarks as well as in recognition of his strong performance.

FY23 STI

- Financial (70% of the plan) – The Company delivered a strong result for shareholders, exceeding proforma Revenue and EBITDA targets, resulting in a 105% achievement against the 70% weighting allocated to the financial objectives.
- Strategic (30% of the plan) – All strategic objectives were achieved against a balanced scorecard, which led to 30% achievement of the 30% weighting allocated to the strategic objectives.
- A total outcome of 135% was achieved compared to the FY22 STI outcome of 103%.

FY21-23 LTI

- Financial (70% of the plan) – The team achieved a ranking in the 73rd percentile for Relative TSR and achieved solid performance for Adjusted EPS, resulting in a 58.9% vesting outcome of the 70% weighting allocated to the financial objectives.

  As noted on page 8 of the 2020 Notice of Annual General Meeting, due to the exceptional circumstances of COVID-19, the Board vested the FY18–20 LTI financial objectives at the mid-target. To ensure executive KMPs did not gain material advantage from that discretion, the Adjusted EPS outcome implied by mid-target vesting was used as the starting point for the FY21–23 LTI's base year calculation.

This year has seen significant business growth. This has been achieved by the exceptional talent the Company has throughout all levels of the business, and the strong leadership of our Executive team.

- Strategic (30% of the plan) – All strategic objectives were achieved against a balanced scorecard, which led to a 30% achievement of the 30% weighting allocated to the strategic objectives.
- A total vested outcome of 88.9% was achieved compared to the FY20-22 outcome of 75.7%.

When assessing strategic objectives in both the LTI and STI plans, the Board uses a scorecard of three key measures: on-time delivery, on budget, and a positive contribution to the bottom line.

We believe this approach fairly recognises the outcomes and value creation that our Executive KMP's and leadership team have delivered for the business and shareholders.

Non-Executive Director Fees

A review of Non-executive Directors fees was also conducted in FY23, taking into consideration the market benchmarking for positions at relevant ASX listed organisations of comparable size and complexity. As part of this review, it was determined that an increase of 2.5% to the Chair fee, base director fees, Chair of Committee fees and Member of Committee fees was required to fairly compensate Non-Executive Directors for their services.

Board Structure

As part of our Board renewal plan, we were pleased to welcome Susan Massasso to the Board in June 2023. Susan is an experienced Non-Executive Director, advisor and executive with a strong track record in strategy, growth and international market development. Susan will become a member of the Sustainability Committee and the People and Culture Committee.

The Board took the opportunity to review Board Committee membership, which has resulted in some changes. Further details can be found in the Corporate Governance statement in this Annual Report.

Company Culture

This year has seen significant business growth. This has been achieved by the exceptional talent the Company has throughout all levels of the business, and the strong leadership of our Executive team.

The Company's culture continues to evolve with an increasing global view. The Board was delighted to see employee engagement being measured globally and the ELT's continued focus on creating a strong Company culture. It was pleasing to see that as a result of that focus, 85% of our people see the Company as a great place to work; 83% of our team are proud to work for the business; and 91% of our people believe in the Company's commitment to diversity.

This year we were again proud to be recognised as a Workforce Gender Equality Agency Employer of Choice, a certified Great Place to Work® in Australia, AFR Best Places to Work, an AAGE Top Intern program employer, Top Graduate Employer and we remain an accredited Family Friendly Workplace. This recognition is acknowledgement of the Company's strong culture and continued ability to attract and retain top talent.

Committee Priorities for FY24

The People and Culture Committee will continue to closely monitor the effectiveness of the Executive KMP remuneration framework. Our focus remains on continuing to engage, motivate and retain Executives in a highly competitive talent market, whilst aligning with shareholder interests.

As always, we welcome your feedback on our Remuneration Report and look forward to discussions with many of you over the coming year.

Yours sincerely

Kim Anderson
Chair of the People and Culture Committee

Remuneration Report 2023

In this Report

Independent Audit of the Report

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

1. Who is Covered in this Report

This remuneration report details the performance and remuneration of Key Management Personnel (KMP), comprising Non-Executive Directors and members of the Executive Leadership Team (herein referred to as Executive KMP) who had the authority and responsibility for planning, directing, and controlling the activities of the Company during FY23.

1.1 Key Management Personnel

The Company's KMP in FY23 are listed in the table below:

Name	Position	Term as KMP
Non-Executive Directors		
Patrick O'Sullivan	Non-Executive Chair	Full year
Walter Pisciotta	Non-Executive Director	Full year
Kim Anderson	Non-Executive Director	Full year
Edwina Gilbert	Non-Executive Director	Full year
Kee Wong	Non-Executive Director	Full year
David Wiadrowski	Non-Executive Director	Full year
Susan Massasso	Non-Executive Director (from 14 June 2023)	Part year
Steve Kloss	Non-Executive Director (Alternate until 4 November 2022)	Part year
Executive KMP		
Cameron McIntyre	Managing Director (MD) and Chief Executive Officer (CEO)	Full year
William Elliott	Chief Financial Officer (CFO)	Full year
Paul Barlow	Managing Director – carsales Australia (KMP until 28 February 2023)	Part year

2. Summary of the Executive KMP Remuneration Framework

2.1 Executive remuneration strategy and link to Company performance

When designing remuneration plans and making decisions within our remuneration framework, we are guided by our remuneration principles which support the execution of our business strategy.

The strategic measures for our Company's remuneration plans are taken from areas of focus from our Company strategy. This ensures we align priorities across the wider Company in both remuneration and strategy.

Our vision: create #1 digital marketplaces around the world

Customer	Sustainable Growth	People	Our Voyager

Underpinned by our remuneration principles

Market competitive	Ensure the Company has the flexibility to attract, motivate and retain high calibre talent in a competitive market.
Alignment	The alignment of Executive KMP interests with those of shareholders and our customers are paramount to business success. We believe in a pay for performance culture and through this encourage Senior Executives to build and maintain a reasonable shareholding.
Link to Company strategy	Our focus is on value-add objectives that contribute to achieving our purpose so that we reward what truly impacts business growth.
Reward the right outcomes	We encourage responsible decision making that is made in the best interests of our customers and shareholders and align reward outcomes accordingly.

Reinforcing business goals and objectives via our Remuneration Framework

Remuneration Component	Alignment to performance	Alignment to principles and strategy
Fixed Remuneration (FR) Comprises base salary and superannuation.	Set at a market competitive level in relation to the scope, complexity, capabilities and individual performance in the role. Provides recognition for day to day, operational activities in the role.	Set to attract, retain, and engage the best people to design and lead the delivery of our strategy.
Short-term Incentive (STI) Annual incentive opportunity. Delivered as 75% cash and 25% deferred performance rights for a 12-month period, subject to continued service.	Performance assessed using a Company Performance scorecard against: • Financial measures (70%) – Proforma Revenue[1] and Proforma EBITDA[1], weighted equally. • Strategic measures (30%) – Pre-determined projects, business and people objectives.	Linked to the Company's key strategic priorities which directly contribute towards the execution of long-term strategy. The 25% of the award that is deferred into equity supports Executives' alignment with shareholder interests, as well as Executive retention.
Long-term Incentive (LTI) Granted in 100% performance rights with a three-year vesting period.	Performance assessed against: • Financial measures (70%) comprising Adjusted Earnings Per Share (Adjusted EPS) and Relative Total Shareholder Return (Relative TSR), weighted equally. • Non-financial strategic milestone measures (30%) including international business performance metrics; trust and brand metrics and domestic business milestones.	Targeting sustained growth in profitability and shareholder wealth creation. The three-year vesting period encourages consideration of long-term decision making and value creation, as well as operating as a retention tool. With a significant portion of potential remuneration based on carsales equity, the Board provides alignment between the interests of Executives and shareholders.
Non-monetary benefits: Employees are provided with salary continuance insurance cover. It is not allocated on an individual basis.		

1. Proforma revenue reflects ordinary revenue in accordance with IFRS, adjusted to reflect 100% ownership of Trader Interactive and 30% ownership of webmotors in both the current and historical comparative periods. Proforma EBITDA reflects Earnings before Interest, Tax, Depreciation and Amortisation on a consistent ownership basis with proforma revenue. It also excludes certain non-operating and non-recurring items as outlined on page 96 of the annual report to best reflect the underlying performance of the business.

Remuneration Report 2023 continued

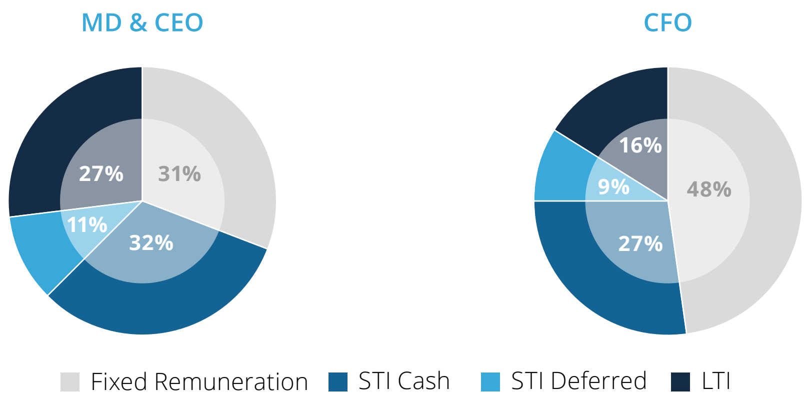
To ensure remuneration is market competitive, the Company will seek advice from external remuneration consultants on an as needs basis to benchmark Executive KMP remuneration against relevant peers, being ASX listed companies that are relative in size, structure and industry to that of carsales. The Company accepts that while this peer group is small, it is the most relevant group from which the competition for talent arises. Increasingly, the Company also considers global competitors for talent to be relevant, but remains focused on Australian listed companies with a global presence for the purpose of benchmarking.

In FY23, the Board engaged Ernst & Young (EY) and Mercer Consulting as its independent remuneration advisors. While carsales sought input from EY and Mercer Consulting, no remuneration recommendations, as defined by the Corporations Act 2001, were provided. External advice is used as a guide only and does not serve as a substitute for Directors' thorough consideration of remuneration outcomes.

2.2 Remuneration Mix (percentage of total remuneration)

Within the remuneration framework, a key focus has been on strengthening performance-based remuneration. As such, our remuneration mix (at maximum) includes at least 50% in the form of variable remuneration.

The figure below shows the remuneration mix at maximum opportunity for FY23, comprising Fixed Remuneration, STI cash, STI deferred and LTI granted.



The actual remuneration mix will vary based on Company and individual performance each year.

2.3 Timeline for Delivery of Remuneration

The diagram below provides a summarised timeline of when the FY23 remuneration opportunity is delivered.

Fixed Remuneration	**Base salary/Super (100%)**		
Short-term Incentive	**Cash (75%)**	**Deferred performance rights (25%)**	
Long-term Incentive			**Performance rights (100%)**
Performance Year	**Year 1**	**Year 2**	**Year 3**

3. Remuneration Outcomes and Link to Performance

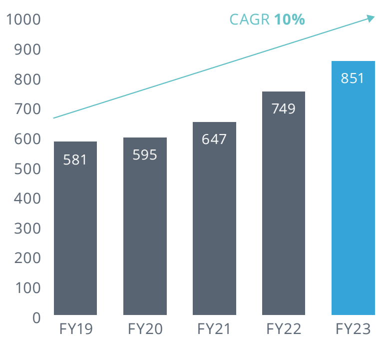
One of the key principles of the Company's remuneration framework is to align Executive KMP remuneration outcomes with Company performance. This section provides a summary of the Company's five-year financial performance outcomes and the link to remuneration outcomes over this period.

3.1 Company Five-year Financial Performance

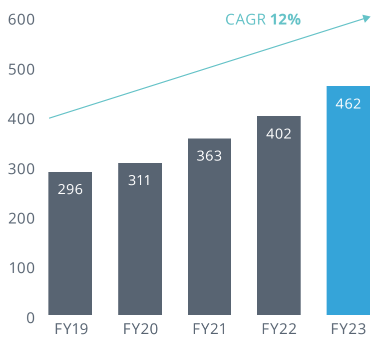
The Company's financial performance over the past five years along with how that performance has translated to shareholders in the form of earnings per share (EPS) and total shareholder return (TSR) is demonstrated in the graphs below.

Remuneration Performance Measures

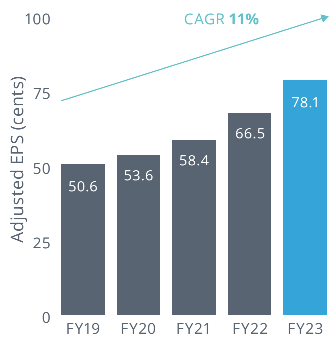
Proforma Revenue[1] ($m)



Proforma EBITDA[1] ($m)

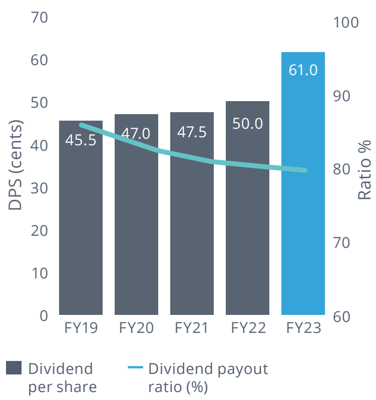


Adjusted EPS[2]

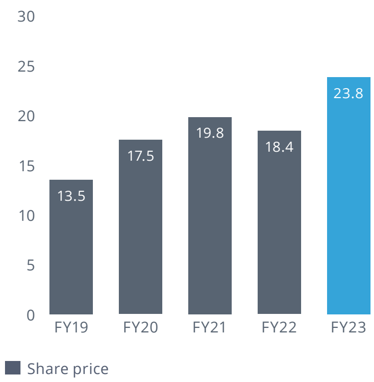


Other Performance Metrics

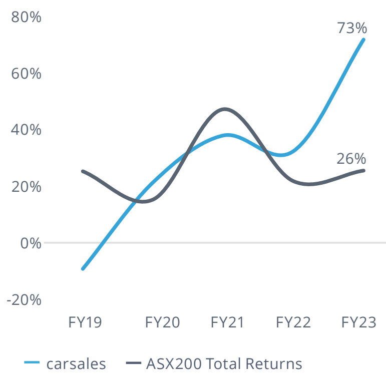
Dividend and payout ratio



Share price year end ($)



Cumulative TSR (last 5 years)



Five-year Incentive Outcomes

Executive KMP Remuneration Outcomes	FY19	FY20	FY21	FY22	FY23
STI outcome (average % of maximum)	31.9%	28.0%	100.0%	103.0%	**135.0%**
LTI vesting outcome (% of maximum)	49.4%	76.0%	30.0%	75.7%	**88.9%**

1. Proforma revenue reflects ordinary revenue in accordance with IFRS, adjusted to reflect 100% ownership of Trader Interactive and 30% ownership of webmotors in both the current and historical comparative periods. Proforma EBITDA reflects Earnings before Interest, Tax, Depreciation and Amortisation on a consistent ownership basis with proforma revenue. It also excludes certain non-operating and non-recurring items as outlined on page 96 of the annual report to best reflect the underlying performance of the business.
2. In accordance with AASB133, historical EPS has been restated based on an adjustment factor to take into account the new shares issued in connection with the Trader Interactive and webmotors acquisitions.

3.2 Executive KMP Realised Remuneration Snapshot – FY23

The table below provides actual amounts received by the Executive KMP for FY23. This table is an additional disclosure to those required under the Australian Accounting Standards and the *Corporations Act 2001*. It has been provided to assist shareholders in understanding realised outcomes.

Name	Year	Fixed remun-eration[2] $	Other $	Cash STI earned[3] $	Vested deferred STI[4] $	Vested LTI[5] $	Total $
Executive Director							
Cameron McIntyre	**FY23**	**1,650,000**	**–**	**1,676,093**	**539,594**	**1,675,977**	**5,541,664**
	FY22	1,500,000	–	1,280,348	389,202	1,556,227	4,725,777
Other Senior Executives							
William Elliott	**FY23**	**700,000**	**–**	**393,750**	**117,266**	**265,559**	**1,476,575**
	FY22	562,500	–	278,223	76,425	–	917,148
Paul Barlow[1]	**FY23**	**533,333**	**–**	**412,500**	**108,381**	**157,371**	**1,211,585**
	FY22	685,000	–	385,731	108,467	207,931	1,387,129
Total FY23		**2,883,333**	**–**	**2,482,343**	**765,241**	**2,098,907**	**8,229,824**
Total FY22		**2,747,500**	**–**	**1,944,302**	**574,094**	**1,764,158**	**7,030,054**

1. Paul Barlow ceased being a KMP from 1 March 2023 due to the business restructure that resulted in Paul being responsible for the Australian business in the same way as the Company CEOs across the globe run their respective businesses. With that change, his role has increased accountability for the Company's Australian operations, it also means the role has less influence in the planning, directing, and controlling activities across the wider carsales Group and is therefore no longer classified as KMP. FY23 amounts represent the period 1 July 2022 to 28 February 2023 for fixed remuneration, with STI and LTI outcomes disclosed being pro-rated over the same period.
2. Fixed remuneration earned in the financial year (base salary and superannuation).
3. Cash STI earned in relation to performance under the STI plan during the financial year.
4. Vested deferred STI is the value of deferred STI earned as a result of performance in the prior financial year, subject to a restriction period that ends in August 2023. The STI value is calculated as the number of rights that vested multiplied by the 30 June 2023 closing share price (30 June 2022 closing share price for the FY22 financial year).
5. Vested LTI is the value of performance rights that vest in August 2023. Values are calculated as the number of rights received multiplied by the 30 June 2023 closing share price (30 June 2022 closing share price for the FY22 financial year). For example, FY23 is reported as the FY21 LTI grant which vest in August 2023.

3.3 Fixed Remuneration Outcomes

Fixed remuneration is generally positioned between the median and the 75th percentile of the relevant market, which allows the flexibility required to attract and retain high calibre Executives.

Name	$
Cameron McIntyre	1,650,000
William Elliott	700,000
Paul Barlow[1]	800,000

1. Represents annual fixed remuneration for the FY23 year.

Actual fixed remuneration paid to members of the Executive KMP is shown in the remuneration tables in section 3.2 of this report.

A benchmarking exercise was undertaken in FY23. Mercer Consulting was engaged to extract market data based on outcomes from an agreed ASX-listed peer group. This peer group consisted of 23 ASX-listed companies that were selected with consideration to organisation size and industry. Market data was presented in accordance with appropriate job size of each role, allowing for a relevant market review to be undertaken.

Within the FY23 annual review, effective 1 July 2022, Cameron McIntyre received a fixed remuneration increase of 10%, recognising his continued strong performance, the increase in the size and accountability of his role in line with business growth as well as better aligning him to the market. William Elliott received an increase of 16.7% to continue to better align his fixed remuneration to market in accordance with his continued strong performance in the Company's CFO role. There were no changes in fixed remuneration for Paul Barlow.

3.4 Short-term Incentive Plan – Key Features and Outcomes

The key features of the STI plan for the year ended 30 June 2023 are detailed in the table below.

Feature	Approach
Description	Eligible Executive KMPs participate in the annual STI plan with an earning opportunity that is 'at risk' subject to specific pre-determined Group measures being met. All performance measures chosen support the delivery of our strategy and create sustainable value for all stakeholders.
Performance period	Aligned with the financial year, 1 July 2022 to 30 June 2023.
STI Opportunity	The STI opportunity varies in accordance with role size, complexity and direct accountability. Market benchmarking references are also taken into consideration. The STI Target opportunity represents expected performance for the Group. The maximum (capped) opportunity represents outstanding levels of performance. Executive KMP capped levels, referenced as a percentage of Fixed Remuneration (FR) are:
Delivery of award	The STI award is delivered 75% in cash and 25% in equity (performance rights) that is deferred for an additional 12 months subject to a continued service condition. No dividends are payable until the performance rights vest into ordinary shares at the conclusion of the 12-month hold period.
Performance measures and weightings	The STI plan incorporates both financial and non-financial performance measures. The performance measures and their relative weightings are:
Performance threshold and maximum	A minimum performance threshold must be achieved in the performance period prior to any award vesting. The threshold and maximum performance for FY23 have been set as follows:

STI Opportunity:

Role	Target STI[1]	Maximum STI[2]
CEO	100%	135%
CFO	55.6%	75%

Performance measures and weightings:

Category	Measures	Weighting
Financial	Proforma revenue	35%
	Proforma EBITDA	35%
Non-financial	Strategic objectives	30%

These measures are calculated on a constant currency basis to remove the effect of fluctuations in FX rates when assessing performance outcomes.

Performance threshold and maximum:

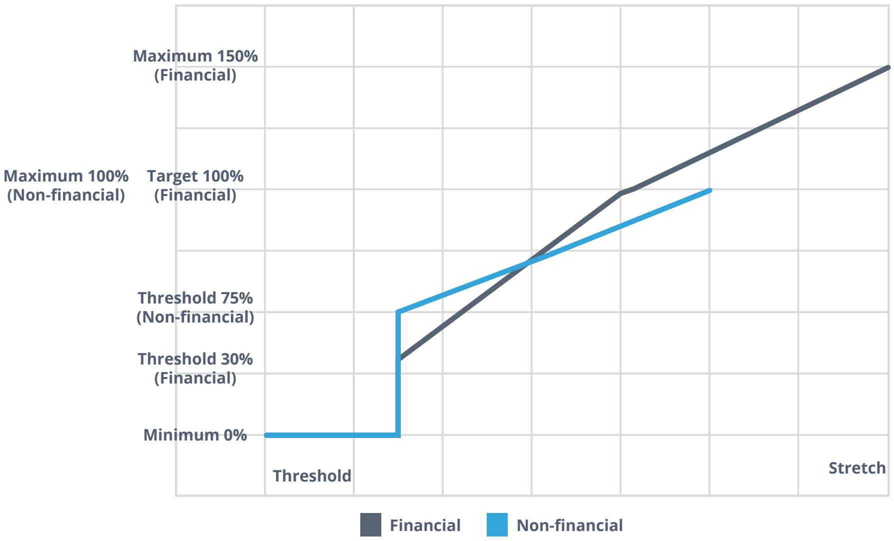
Measure	Threshold	Maximum
Proforma revenue	3.0% growth	12.0% growth
Proforma EBITDA	3.0% growth	12.0% growth

For FY24 the proforma revenue and EBITDA thresholds have been raised from 3.0% growth to 5.0% growth.

1. The Target STI opportunity is represented as a percentage of fixed remuneration.
2. FY23 maximum STI is capped at 135% of the target opportunity.

<table>
<tr><th>Feature</th><th colspan="2">Approach</th></tr>
<tr><td rowspan="3">Selection of Performance Measures</td><td colspan="2">Financial Measures:</td></tr>
<tr><td>Proforma revenue
Proforma revenue reflects ordinary revenue in accordance with IFRS, adjusted to reflect 100% ownership of Trader Interactive and 30% ownership of webmotors in both the current and historical comparative periods.</td><td>Proforma Earnings Before Interest, Tax, Depreciation and, Amortisation (EBITDA)
Proforma EBITDA reflects Earnings before Interest, Tax, Depreciation and Amortisation on a consistent ownership basis with Proforma revenue. It also excludes certain non-operating and non-recurring items as outlined on page 96 of the annual report to best reflect the underlying performance of the business.</td></tr>
<tr><td colspan="2">Non-financial measures within the plan recognise the importance of key strategic priorities and employee engagement in achieving business transformation. The Board decides on pre-determined strategic performance objective targets at the beginning of the performance period, which are linked to our longer-term strategy and value creation for our shareholders. The strategic objective outcomes are provided within the STI outcomes section of the report.</td></tr>
<tr><td>Link of performance and reward</td><td colspan="2">For each measure, there is a minimum threshold of performance required which needs to be met before any pay-out is awarded for that portion of the STI.

An incremental scale applies in accordance with achievement of financial measures, with the intention to motivate and fairly reward exceptional performance outcomes. The achievement of non-financial performance measures is assessed through a rating scale, with Partial Achievement allocated 75% and Full Achievement allocated 100%. Strategic objectives are capped at 100%.


</td></tr>
<tr><td>Cessation of employment</td><td colspan="2">If an Executive KMP ceases employment with the Company prior to any awards being paid, unless the Board determines otherwise, the Executive KMP will forfeit any awards to be paid for the performance period.</td></tr>
</table>

Performance outcomes against STI Measures for FY23

STI outcomes are calculated using a performance scorecard with 70% weighting on financial measures and 30% weighting on non-financial measures. All outcomes are measured on Group performance.

The Board's assessment of the Executive KMP's performance in the 2023 financial year is outlined below.

Measure	Weighting	Threshold	Actual Performance	Payout %	Commentary
Proforma revenue	35%	$771m	$851m	52.5%	• Strong performance achieved, well above threshold.
Proforma EBITDA	35%	$414m	$462m	52.5%	• Strong performance achieved, well above threshold.
Strategic					
Create and implement an enhanced ecosystem for innovation to continue to achieve growth and maintain a culture of innovation.	10%		Achieved	10%	• Successfully delivered a program to structure innovation internally and externally – examples include the creation of an Early Stage Investments program that has already delivered several minor investment opportunities, an internal innovation kickstart platform that has seen innovation ideas enter the funnel each quarter since its inception, the creation of carsales Next which launches adjacent innovations to our core business, and successful delivery of the Group's first global hackathon.
Deliver short-term synergies from recent acquisitions that deliver shareholder value.	10%		Achieved	10%	• Synergies were delivered on time and in accordance with acquisition business cases, delivering good growth in revenue, earnings and shareholder value.
Engagement and Sentiment	10%		Achieved	10%	• A consistent global view of employee engagement was established across the Group achieving a global engagement rating of 73% which was a strong result compared to global technology benchmarks.
Total	**100%**			**135%**	

Overall STI Financial Outcomes

The following table provides the FY23 STI outcomes awarded to Executive KMP. Under the FY23 STI plan, 25% of the awarded STI is provided in equity with vesting deferred for an additional 12 months, subject to a continued service condition.

FY2023	Actual STI awarded $	75% Cash $	25% Deferred in Equity $	Number of performance rights awarded[1]	STI Target $	STI actual as a % of STI Target %
Cameron McIntyre	**2,234,790**	**1,676,093**	**558,697**	**23,465**	1,655,400	135%
William Elliott	**525,000**	**393,750**	**131,250**	**5,512**	388,889	135%
Paul Barlow[2]	**550,000**	**412,500**	**137,500**	**5,775**	407,407	135%

1. Number of performance rights to be awarded is based on the 20 trading day VWAP up to and including 30 June 23.
2. The actual STI awarded for Paul Barlow represents the full year STI award pro-rated for the period that he was KMP period from 1 July 2022 to 28 February 2023.

2022 Deferred STI Outcome

The 2022 deferred STI will qualify to vest upon release of this Annual Report to the ASX by the Board. The table below provides the award value based on the accounting Black Scholes valuations, as well as the cash value to each Executive KMP of their STI based on the 30 June 2023 share price.

	DSTI value (Black Scholes)		DSTI value (30 June 2023 share price)	
2022	Vested $	Vested %	Vested $	Vested %
Cameron McIntyre	512,184	100%	**539,594**	**100%**
William Elliott	111,309	100%	**117,266**	**100%**
Paul Barlow	154,313	100%	**162,572**	**100%**

3.5 FY21-23 Long-term Incentive Plan – Key Features

Feature	Approach
Description	Eligible Executive KMPs participate in the LTI plan, with an opportunity that is 'at risk' subject to specific pre-determined Group performance measures being met over a three-year period. The plan is designed to align Executive KMP's interests with those of shareholders.
Opportunity	The LTI opportunity reflects accountabilities and influence over the Company's long-term performance within each role. Market benchmarks are also referenced in determining the LTI opportunity. The maximum face value of LTI that can be granted, referenced as a percentage of Fixed Remuneration (FR) is: **Role** – **Maximum (cap)** CEO – 94.7% of FY21 Fixed Remuneration CFO – 50.0% of FY21 Fixed Remuneration
Performance and vesting period	Performance is measured over three financial years. Any performance rights that do not vest following testing will lapse.

Feature	Approach
Delivery	In FY21 the Board decided to simplify the FY21-23 LTI plan to have only one equity vehicle, rather than two. As such, one hundred percent (100%) of the opportunity in FY23 will be granted as performance rights (PRs), with vesting subject to financial metrics and strategic objectives being met as well as an ongoing service condition. No dividends are paid during the performance period, until the rights vest.
Allocation approach	The number of performance rights granted are calculated as follows: **$ Fixed Remuneration (FR)** x **Award face value (% FR)** ÷ **$ Share price (Performance rights)** = **Number of PRs (100% of Award)** The share price used was the Volume Weighted Average Price of the Company's ordinary shares for the 20 trading days up to and including 30 June 2020.
Performance measures and weightings	The performance measures and their relative weightings are: (see table below)

Category	Measures	Weighting
Financial	Adjusted EPS	35%
	Relative TSR	35%
Strategic	Growth in international business performance metrics that reflect the strategic importance of this segment to the Group as a whole	10%
	Trust and brand metrics that represent the importance of reputation to the Group's success	10%
	Domestic business milestones that indicate successful implementation of the Group's strategic roadmap	10%

Performance Threshold and Maximum

A minimum performance threshold must be achieved in the performance period prior to any award vesting. The threshold and maximum performance for FY21–23 and other currently operating LTI plans (for further information) have been set as follows:

Year	Measure	Threshold	Maximum
FY21–23	**Relative TSR**	**50th percentile**	**75th percentile**
	Adjusted EPS	**3.0% CAGR**	**10.0% CAGR**
FY22–24	Relative TSR	50th percentile	75th percentile
	Adjusted EPS	3.0% CAGR	10.0% CAGR
FY23–25	Relative TSR	50th percentile	75th percentile
	Adjusted EPS	3.0% CAGR	10.0% CAGR

Financial metrics used exclude corporate activity (such as acquisitions) made after the AGM notice date, with the exception of any disposal of businesses or acquisitions of additional equity stakes in any existing businesses, where the CAGR targets will be altered to maintain the underlying CAGR growth rates targeted for the financial year. The Board retains discretion to adjust the CAGR growth rates to include the impact of any strategically important acquisitions made during the performance period, such that management is not materially advantaged or disadvantaged from entering into further acquisitions when it is in shareholders' interests to do so.

This discretion was applied by the Board where the acquisition of Trader Interactive was added to the FY21-23 LTI base year EPS to ensure there was no material advantage to Executives as a result of the acquisition.

For FY24, the Board intends to increase the Adjusted EPS Threshold from 3.0% to 5.0% growth.

Strategic Targets: The release of targets that were used to assess performance will be provided upon completion of each three-year performance period, due to competitive advantage information being withheld.

<table>
<tr><th>Feature</th><th colspan="2">Approach</th></tr>
<tr><td rowspan="10">Vesting Schedule</td><td>Performance Level</td><td>Vesting %</td></tr>
<tr><td colspan="2">Financial</td></tr>
<tr><td>Below Threshold</td><td>0%</td></tr>
<tr><td>Between Threshold and Maximum:</td><td></td></tr>
<tr><td>Adjusted EPS</td><td>From 30% to 100%</td></tr>
<tr><td>Relative TSR</td><td>From 50% to 100%</td></tr>
<tr><td colspan="2">Strategic</td></tr>
<tr><td>Not achieved</td><td>0%</td></tr>
<tr><td>Partial achievement</td><td>50%</td></tr>
<tr><td>Full achievement</td><td>100%</td></tr>
<tr><td rowspan="4">Selection of Performance Measures</td><td colspan="2">Financial Measures:</td></tr>
<tr><td>Adjusted EPS</td><td>Relative TSR</td></tr>
<tr><td>Adjusted EPS is defined as earnings per share calculated by dividing the Adjusted NPAT attributable to equity holders of the Company during the relevant period by the weighted average number of ordinary shares outstanding during the relevant period. The Board also retains discretion to alter the Adjusted EPS hurdle in exceptional circumstances to ensure there is no material advantage or disadvantage due to matters outside management's influence that would materially affect Adjusted EPS.</td><td>TSR calculates the return Shareholders would earn if they held a notional number of Shares over a period of time. It measures the change in the Company's Share price, together with the value of dividends during the relevant period, assuming that the dividends are re-invested into new Shares. Relative TSR compares the Company's TSR performance against the TSR of a bespoke peer group of companies.</td></tr>
<tr><td colspan="2">The Board believes that the chosen measures ensure alignment of LTI vesting outcomes to shareholder interests. In determining the financial measures' targets, the Board considers the earnings performance of the Company, forward looking market consensus earnings expectations, the overall purpose of the award and the long-term best interests of the Company. Based on these factors, the Board believes that the growth targets that have been set are appropriate in all the circumstances.

Non-financial measures within the plan recognise the importance that key strategic priorities and people engagement have in achieving ongoing business transformation and evolution. The Board has selected pre-determined strategic performance objectives which are linked to the Company's long-term strategy and are therefore key in improving long-term financial performance and value for our shareholders. Key factors in determining these outcomes are delivery on time, on budget and contribution to the bottom line.

The Board has retained Adjusted EPS as a performance measure to support alignment with Company specific financial outcomes, whilst introducing Relative Total Shareholder Return (RTSR) as a new market based performance measure, to enhance alignment of Executive remuneration outcomes with that of shareholders. The peer group chosen comprises of ASX200 companies in the media and entertainment, retailing and information technology sectors. In addition, there are three international peer companies in the peer group reflecting the Company's global footprint. A full listing of the peer group was provided in the 2020 Notice of Annual General Meeting documentation on the ASX web page.</td></tr>
</table>

Feature	Approach
Malus and Clawback	If the Board, in its reasonable opinion, determines that a plan participant has engaged in any of the following conduct, the Board may declare that all, or some, of the participant's options or performance rights held under the plan are forfeited: (a) Cessation of employment, other than for special circumstances, redundancy or by mutual agreement between the Board and the participant; (b) Material breach of the participant's obligations to the Company or a Subsidiary; (c) Behaviour that brings the Company or Group into disrepute.
Ceasing Employment	Executive KMPs who leave the Company have 30 days from their date of departure to exercise any vested options they may have, unless such departure is under adverse conditions. In exceptional circumstances, and at the Board's discretion, Executive KMPs may be allowed to retain unvested options (from current or prior year operating LTI plans) and performance rights in a future period when they vest. This would be subject to testing against performance criteria.
Hedging Policy	The Company's Equity Plan specifically prohibits a plan participant from entering into any scheme, arrangement, agreement (including options and derivative products) or other hedging transaction under which the participant may alter or limit the economic benefit or risk to be derived from options, irrespective of future changes in the market price of any Company shares. Where a plan participant enters, or purports to enter, into any such scheme, arrangement or agreement without prior authorisation from the Company, such options will immediately lapse.
Change of Control	While the Board maintains discretion in relation to unvested options and performance rights, the default treatment for unvested options subject to performance conditions is that a pro-rata number will vest based on the extent to which applicable performance conditions have been satisfied. For unvested options and performance rights subject to only continuing service conditions, the pro-rata number will vest based on the proportion of the period that has lapsed.

There are currently three years of unvested LTI awards with performance periods that include the 2023 financial year.

Financial year of grant	Performance period	Performance year to determine vesting	Vesting dates
FY21-23	1 July 2020 – 30 June 2023	FY23	August 2023
FY22-24	1 July 2021 – 30 June 2024	FY24	August 2024
FY23-25	1 July 2022 – 30 June 2025	FY25	August 2025

FY21-23 Performance outcomes against LTI Measures

LTI performance and awarded outcomes

The Board's assessment of performance against the FY21-23 LTI performance measures is outlined below.

Measure	Weighting	Performance outcome	Vesting outcome	Commentary
Financial				
Relative TSR	35%	Achieved	25.6%	• This outcome reflects a ranking in the 73rd percentile over 3 years compared to our peer group.
Adjusted EPS[1]	35%	Achieved	33.3%	• Solid actual performance of 11.5% CAGR in Adjusted EPS. Achievement for the purpose of this plan was adjusted down to 9% due to the increased base year starting point and TI acquisition adjustment. See footnote below for further details.
Strategic				
International revenue growth	10%	Full Achievement	10%	• Strong double digit revenue growth across the international portfolio supported by excellent performance in South Korea and Brazil over the last three years.
Deliver a compelling reason for more users to log in to mitigate the 3rd party cookie elimination.	10%	Full Achievement	10%	• Doubled the proportion of logged-in users through simplifying the log-in process and launching member-only products such as additional pricing insights. Delivering our Customer Data Platform (CDP) further mitigates 3rd party cookie risk.
Deliver the globalisation of our trade capability.	10%	Full Achievement	10%	• Successfully applied our trade IP in multiple markets, with all our markets now having functional dealer lead and inventory management.
Total	**100%**		**88.9%**	

1. As noted on page 8 of the 2020 Notice of Annual General Meeting, due to the exceptional circumstances of COVID-19, the Board vested the FY18-20 LTI financial objectives at the mid-target. To ensure executive KMPs did not gain material advantage from that discretion, the Adjusted EPS outcome implied by mid-target vesting was used as the starting point for the FY21-23 EPS base year calculation. The acquisition of Trader Interactive was built into the base year EPS to ensure there was no material advantage to executives as a result of the acquisition.

4. Remuneration Governance

The Board has ensured robust governance processes are in place for remuneration matters within the Company. The below diagram provides a summary of the remuneration governance framework.

Board

The Board takes guidance and reviews recommendations from the People and Culture Committee and makes decisions on remuneration strategy and outcomes for Executive KMP and Non-Executive Directors.

People and Culture Committee

The People and Culture Committee reviews recommendations made by management where appropriate and makes recommendations to the Board on remuneration and other terms of employment applicable to Executive KMP and Non-Executive Directors. In addition, the People and Culture Committee will facilitate an efficient mechanism for examination of the selection and appointment practices of the Company as well as cultural, diversity and inclusion practices.

Management

The CEO makes recommendations to the People and Culture Committee on performance and remuneration outcomes for direct reports.

Management may attend Committee meetings as required, however do not participate in formal discussions or decision making involving their own remuneration.

Independent remuneration advisors

The People and Culture Committee may engage independent remuneration advisors if needed to assist the Board in making remuneration decisions.

Any advice is used as one of many factors taken into consideration by the Board.

Other Board committees

The Risk Management Committee and Audit Committee may advise the People and Culture Committee on relevant risk and reputation or relevant financial outcome matters that arise.

Further information on the purpose and duties of the People and Culture Committee is contained in its Charter, which is available from the Company's investor website: https://shareholder.carsales.com.au/charters.

4.1 Engagement with shareholders and proxy advisors

Members of the Board have proactively engaged with several of its largest Shareholders throughout the year. Proxy advisors are invited to meet with representatives of the Board throughout the year to ensure they have a good understanding of the Company's remuneration structure and decisions, and are in a position to provide insightful advice to their clients. The Company views these meetings as an opportunity to receive valuable feedback on issues of importance to its Shareholders and to ensure it is across the trends being seen in the market.

Over the course of FY23, representatives of the Company met with the following proxy advisors:

- Ownership Matters;
- CGI Glass Lewis; and
- ACSI – Australian Council of Superannuation Investors.

5. Executive KMP Statutory Remuneration Disclosure

5.1 Accounting based benefits

The table below has been prepared in accordance with the requirements of the Corporations Act 2001 and relevant Australian Accounting Standards. The figures provided under the share-based payments columns are based on accounting values and do not reflect actual cash amounts received by members of the Executive KMP in FY23.

		Short-term benefits		Post Employ-ment	Long-term benefits	Share-based payments				
Name	**Year**	**Salary and fees $**	**Cash STI $**	**Super-annu-ation**	**Long Service Leave $**	**Deferred STI $**	**LTI perfor-mance rights $**	**LTI options $**	**Other $**	**Total $**
Executive Director										
Cameron McIntyre	**FY23**	**1,624,708**	**1,676,093**	**25,292**	**68,678**	**556,164**	**1,873,951**	**238,376**	**–**	**6,063,262**
	FY22	1,476,432	1,280,348	23,568	23,595	416,269	296,893	4,645	–	3,521,750
Other Senior Executives										
William Elliott	**FY23**	**674,708**	**393,750**	**25,292**	**30,512**	**125,660**	**244,023**	**–**	**–**	**1,493,945**
	FY22	538,932	278,223	23,568	27,300	85,878	44,961	355	–	999,217
Paul Barlow	**FY23**	**514,364**	**412,500**	**18,969**	**9,255**	**101,677**	**210,978**	**18,667**	**–**	**1,286,410**
	FY22	661,432	385,731	23,568	50,387	120,473	43,566	1,036	–	1,286,193
Total KMP FY23		**2,813,780**	**2,482,343**	**69,553**	**108,445**	**783,501**	**2,328,952**	**257,043**	**–**	**8,843,617**
Total KMP FY22		2,676,796	1,944,302	70,704	101,282	622,620	385,420	6,036	–	5,807,160

Paul Barlow ceased being a KMP from 1 March 2023 due to the business restructure that resulted in Paul being responsible for the Australian business in the same way as the Company CEOs across the globe run their respective businesses. With this change, his role has increased accountability for the Company's Australian operations, it also means the role has less influence in the planning, directing, and controlling activities across the wider carsales Group and is therefore no longer classified as KMP. FY23 amounts represent the period 1 July 2022 to 28 February 2023 for fixed remuneration, with full year STI and LTI outcomes disclosed being pro-rated over the same period.

6. Executive KMP Service Agreements

All Executive KMP have service agreements determining fixed remuneration (cash salary and superannuation), and performance based variable reward, comprising STI opportunity and participation in the Company's LTI Plan.

They have no fixed employment terms and no special termination payment conditions. All agreements provide for dismissal due to gross misconduct. The termination notice period is six months by either party and there is a six month non-compete period.

7. Executive KMP Equity Disclosures

7.1 STI and LTI payments (cash, options and performance rights) achievement against maximum entitlement

All Executive KMP received grants that were equal to or less than their maximum potential STI entitlements. The relative proportions of remuneration which are linked to performance and those that are fixed based on the accounting values table in section 5.1 are as follows:

	Cash salary and superannuation		At risk – STI		At risk – DSTI		At risk – LTI	
Name	**2023 %**	**2022 %**	**2023 %**	**2022 %**	**2023 %**	**2022 %**	**2023 %**	**2022 %**
Executive Director								
Cameron McIntyre	**28**	43	**28**	36	**9**	12	**35**	9
Other Senior Executives								
William Elliott	**49**	58	**26**	28	**9**	9	**16**	5
Paul Barlow	**42**	57	**32**	30	**8**	9	**18**	4

7.2 Share-based compensation disclosures – equity granted, vested, exercised and lapsed/forfeited

The table below details a full listing of options and performance rights granted to Executive KMP during FY23 or in prior years of which then vested, were exercised or lapsed/forfeited during FY23.

							Vested			Lapsed/ Forfeited			Exercised/ Sold				
Name	Type of equity	Number Granted	Equity Fair Value at Grant	Exercise Price	Grant Date	Vesting Date	Number	%	Value	Number	%	Value	Number	%	Value	Vested and Exer-cisable at 30 June 2023	Unexer-cisable at 30 June 2023
Cameron McIntyre	Options	148,871	3.43	13.54	Aug-19	Aug-22	148,871	100%	510,806	(49,623)	33%	(170,266)	–	–	–	99,248	–
	Rights	73,412	13.81	–	Aug-19	Aug-22	73,412	100%	1,013,570	(14,976)	20%	(206,768)	(58,436)	80%	(806,802)	–	–
	Rights	52,324	17.41	–	Aug-20	Aug-23	–	–	–	–	–	–	–	–	–	–	52,324
	Rights	28,175	13.03	–	Aug-20	Aug-23	–	–	–	–	–	–	–	–	–	–	28,175
	Rights	21,164	20.66	–	Aug-21	Aug-22	21,164	100%	437,244	–	–	–	(21,164)	100%	(437,244)	–	–
	Rights	60,512	18.31	–	Aug-21	Aug-24	–	–	–	–	–	–	–	–	–	–	60,512
	Rights	32,583	14.31	–	Aug-21	Aug-24	–	–	–	–	–	–	–	–	–	–	32,583
	Rights	22,653	22.61	–	Aug-22	Aug-23	–	–	–	–	–	–	–	–	–	–	22,653
	Rights	69,692	20.40	–	Aug-22	Aug-25	–	–	–	–	–	–	–	–	–	–	69,692
	Rights	37,527	13.57	–	Aug-22	Aug-25	–	–	–	–	–	–	–	–	–	–	37,527
William Elliott	Rights	8,291	17.41	–	Aug-20	Aug-23	–	–	–	–	–	–	–	–	–	–	8,291
	Rights	4,464	13.03	–	Aug-20	Aug-23	–	–	–	–	–	–	–	–	–	–	4,464
	Rights	4,156	20.66	–	Aug-21	Aug-22	4,156	100%	85,858	–	–	–	(4,156)	100%	(85,858)	–	–
	Rights	9,974	18.31	–	Aug-21	Aug-24	–	–	–	–	–	–	–	–	–	–	9,974
	Rights	5,371	14.31	–	Aug-21	Aug-24	–	–	–	–	–	–	–	–	–	–	5,371
	Rights	4,923	22.61	–	Aug-22	Aug-23	–	–	–	–	–	–	–	–	–	–	4,923
	Rights	13,800	20.40	–	Aug-22	Aug-25	–	–	–	–	–	–	–	–	–	–	13,800
	Rights	7,431	13.57	–	Aug-22	Aug-25	–	–	–	–	–	–	–	–	–	–	7,431
Paul Barlow	Options	17,487	3.43	13.54	Aug-19	Aug-22	17,487	100%	60,001	(5,829)	33%	(20,000)	(11,658)	67%	(40,001)	–	–
	Rights	10,340	13.81	–	Aug-19	Aug-22	10,340	100%	142,760	(2,109)	20%	(29,118)	(8,231)	80%	(113,642)	–	–
	Rights	7,370	17.41	–	Aug-20	Aug-23	–	–	–	–	–	–	–	–	–	–	7,370
	Rights	3,968	13.03	–	Aug-20	Aug-23	–	–	–	–	–	–	–	–	–	–	3,968
	Rights	5,898	20.66	–	Aug-21	Aug-22	5,898	100%	121,855	–	–	–	(5,898)	100%	(121,855)	–	–
	Rights	8,977	18.31	–	Aug-21	Aug-24	–	–	–	–	–	–	–	–	–	–	8,977
	Rights	4,834	14.31	–	Aug-21	Aug-24	–	–	–	–	–	–	–	–	–	–	4,834
	Rights	6,825	22.61	–	Aug-22	Aug-23	–	–	–	–	–	–	–	–	–	–	6,825
	Rights	20,701	20.40	–	Aug-22	Aug-25	–	–	–	–	–	–	–	–	–	–	20,701
	Rights	11,146	13.57	–	Aug-22	Aug-25	–	–	–	–	–	–	–	–	–	–	11,146

Notes to table on previous page:

1. $0.00 exercise price represents performance rights.
2. Percentage of the available grant that vested in the financial year.
3. Percentage of the available grant that was forfeited due to not meeting the service and performance criteria set.
4. When exercisable, each option is convertible into one ordinary Share upon payment of the exercise price by the option holder, provided that the option holder complies with the rules of the carsales.com Ltd Employee Option Plan. Performance rights will automatically be converted to one ordinary share upon the vesting date provided the holder complies with the rules of carsales.com Ltd Employee Option Plan.
5. No options and performance rights will vest if the conditions are not satisfied, hence the minimum value of the options and performance rights yet to vest is nil. The value of the options and performance rights yet to vest has been determined as the amount of the grant date fair value of the options and performance rights that is yet to be expensed. Options and performance rights not exercised expire at the earliest of (a) the expiry date applicable to the option or performance rights, (b) 30 days post the employee ceasing to be employed by carsales.com Ltd, (c) where EPS or RTSR vesting conditions are not met at the relevant date, or (d) where there has been a special circumstance, then within 90 days after that special circumstance has occurred or as specified by the Board.

Further information on the options and performance rights is set out in Note 26 to the financial statements.

7.3 Shares provided on exercise of options and performance rights

Details of ordinary Shares in the Company provided as a result of the exercise of options by each member of the Executive KMP are set out below.

Name	Date of exercise of options and performance rights	Number of ordinary Shares issued on exercise of options and performance rights during the year	Value at exercise date* $	Cost to exercise options $	Net benefit
Executive Director					
Cameron McIntyre	Aug-22	79,600	1,774,279	–	1,774,279
Other Senior Executives					
William Elliott	Aug-22	4,156	92,632	–	92,632
Paul Barlow	Aug-22	14,129	314,938	–	314,938
Paul Barlow	Sep-22	11,658	253,445	(157,849)	95,596

* The value at the exercise date of options and performance rights that were granted as part of remuneration and were exercised during the year has been determined as the intrinsic value of the options and performance rights at that date.

7.4 Equity holdings

The number of Shares in the Company held during the financial year by Executive KMP, including their personally related parties, are set out below. There were no Shares granted during the reporting period as compensation.

Name	Balance 1 July 22	Received during the year on the exercise of options/rights	Other changes during the year	Balance 30 June 23
Executive Director				
Cameron McIntyre	333,294	79,600	(20,000)	**392,894**
Other Senior Executives				
William Elliott	7,287	4,156	2,694	**14,137**
Paul Barlow	103,811	25,787	1,552	**131,150**

7.5 Shares under option and performance rights

Unissued ordinary Shares of carsales.com Ltd under option at the date of this report are as follows:

Date options/rights granted	Expiry date	Issue price of Shares $	Number under options	Number under performance rights
Oct-16	Oct-31	$12.23	60,332	–
Oct-17	Oct-32	$11.41	25,353	–
Oct-18	Aug-36	$14.87	45,066	–
Oct-19	Oct-34	$13.54	21,027	–
Oct-19	Oct-35	$13.54	99,248	–
Oct-20	n/a	$0.00	–	159,601
Oct-21	n/a	$0.00	–	93,095
Feb-22	n/a	$0.00	–	83,821
Dec-22	n/a	$0.00	–	52,877
Dec-22	n/a	$0.00	–	255,477
			251,026	**644,871**

No option or performance rights holder has any right under the options or performance rights to participate in any other Share issue of the Company. No options or performance rights have been issued post 30 June 2023.

7.6 Shares issued on the exercise of options and performance rights

The following ordinary Shares of carsales.com Ltd were issued during the year ended 30 June 2023 on the exercise of options and performance rights granted under the carsales.com Ltd Employee Option Plan. No amounts are unpaid on any of the Shares.

Date options and performance rights exercised	Issue price of Shares $	Number of Shares $
Aug-22	$0.00	176,655
Aug-22	$11.41 – $14.87	20,757
Sep-22	$13.54	45,788
Oct-22	$14.87	1,974
Dec-22	$14.87	1,974
Feb-23	$13.54	8,744
Mar-23	$14.87	1,974
Jun-23	$13.54	1,166

8. Non-Executive Director Fees

Non-Executive Directors receive fees within an aggregate Directors' fee pool limit, which is periodically proposed for approval by Shareholders. The maximum payable to be shared by all Non-Executive Directors currently stands at $2,000,000 per annum. The current base remuneration pool was approved by Shareholders at the Annual General Meeting held on 29 October 2021.

Fees and payments to Non-Executive Directors are determined by the demands that are made on their time, as well as their responsibilities. The annualised fees paid to the Board are below the $2,000,000 pool approved by Shareholders.

The following fee table applies:

Appointment	1 January 2022 fee table $	1 January 2023 fee table $
Chair fee	370,000	**379,250**
Base Director fee	147,000	**150,675**
Committee Chair fee	35,000	**35,875**
Committee Member fee	15,000	**15,375**

Minimum Shareholding Requirements

The Company requires all Board members to hold the equivalent of one year's base Director's fees in equity after 24 months' Board membership. All Board members currently meet this requirement.

8.1 Accounting based benefits

The table below has been prepared in accordance with the requirements of the *Corporations Act 2001* and relevant Australian Accounting Standards. The figures provided under the share-based payments columns are based on accounting values and do not reflect actual cash amounts received by Non-Executive Directors in FY23.

		Short-term benefits		Post Employ-ment	Long-term benefits	Share based payments				
Name	Year	Salary and fees $	Cash STI $	Super-annuation $	Long Service Leave $	Deferred STI	LTI perfor-mance rights	LTI options	Other $	Total $
Non-Executive Directors										
Patrick O'Sullivan	**FY23**	**349,333**	**–**	**25,292**	**–**	**–**	**–**	**–**	**–**	**374,625**
	FY22	346,432	–	23,568	–	–	–	–	–	370,000
Walter Pisciotta	**FY23**	**148,439**	**–**	**15,586**	**–**	**–**	**–**	**–**	**–**	**164,025**
	FY22	147,273	–	14,727	–	–	–	–	–	162,000
Kim Anderson	**FY23**	**194,253**	**–**	**20,397**	**–**	**–**	**–**	**–**	**–**	**214,650**
	FY22	183,584	–	18,358	–	–	–	–	–	201,942
Edwina Gilbert	**FY23**	**194,253**	**–**	**20,397**	**–**	**–**	**–**	**–**	**–**	**214,650**
	FY22	192,727	–	19,273	–	–	–	–	–	212,000
Kee Wong	**FY23**	**194,253**	**–**	**20,397**	**–**	**–**	**–**	**–**	**–**	**214,650**
	FY22	171,393	–	17,139	–	–	–	–	–	188,532
David Wiadrowski	**FY23**	**194,253**	**–**	**20,397**	**–**	**–**	**–**	**–**	**–**	**214,650**
	FY22	183,584	–	18,358	–	–	–	–	–	201,942
Susan Massaso	**FY23**	**6,715**	**–**	**705**	**–**	**–**	**–**	**–**	**–**	**7,420**
	FY22	–	–	–	–	–	–	–	–	–
Total FY23		**1,281,499**	**–**	**123,171**	**–**	**–**	**–**	**–**	**–**	**1,404,670**
Total FY22		**1,224,993**	**–**	**111,423**	**–**	**–**	**–**	**–**	**–**	**1,336,416**

Table reflects the Non-Executive Director fee increase effective 1 January 2023.

8.2 Share holdings

The number of Shares in the Company held during the financial year by each Director of carsales.com Ltd, including their personally related parties, are set out below.

Name	Balance 1 July 22	Other changes during the year	Balance 30 June 23
Non-Executive Directors			
Ordinary shares			
P O'Sullivan	26,597	8,749	**35,346**
W Pisciotta	8,278,919	625,064	**8,903,983**
K Anderson	18,229	5,996	**24,225**
E Gilbert	32,060	11,592	**43,652**
K Wong	14,626	4,811	**19,437**
D Wiadrowski	10,102	3,485	**13,587**
S Massasso	–	–	**–**

8.3 Other transactions

Conflicts and transactions with KMP are handled in accordance with the Board Charter available at http://shareholder.carsales.com.au/Investor-Centre/.

(i) Directors of carsales.com Ltd

W Pisciotta is a shareholder of Pentana Solutions Pty Ltd, which has a commercial relationship with the Company. Mr Pisciotta was absent from all Board discussions related to any commercial arrangement with Pentana Solutions. The total amount paid by carsales to Pentana Solutions Pty Ltd in FY23 was approximately $1,844,613. The total amount paid to carsales by Pentana Solutions Pty Ltd in FY23 was approximately $78,023.

E Gilbert is a Director of automotive dealerships which utilised the Group's services under terms and conditions no more favourable than dealing with other customers at arm's length in the same circumstances. The total amount paid to carsales by automotive dealerships of which E Gilbert is a Director in FY23 was approximately $1,444,736. E Gilbert did not receive any additional benefits to her dealerships from her participation on the Company Board.

Other Directors' Report Disclosures

Directors

The following persons were Directors of carsales.com Ltd during the financial year and up to the date of this report unless indicated otherwise:

Pat O'Sullivan	Non-Executive Chair
Cameron McIntyre	Managing Director
Wal Pisciotta	Non-Executive Director
Kim Anderson	Non-Executive Director
Edwina Gilbert	Non-Executive Director
Kee Wong	Non-Executive Director
David Wiadrowski	Non-Executive Director
Susan Massasso	Non-Executive Director (from 14 June 2023)
Steve Kloss	Alternate Non-Executive Director (until 4 November 2022)

The number of full Board meetings attended, and sub-committee meetings attended where a Board member is a member of that sub-committee are set out below:

	Full scheduled meetings of directors		Short teleconference meetings of directors	
Director name	**A**	**B**	**A**	**B**
Pat O'Sullivan	13	13	1	1
Cameron McIntyre	13	13	1	1
Wal Piscotta	13	11	1	-
Kim Anderson	13	13	1	1
Edwina Gilbert	13	13	1	1
Kee Wong	13	13	1	1
David Wiadrowski	13	13	1	1
Susan Massasso	1	1	-	-
Steve Kloss (alternate director)	5	3	-	-

A = Number of meetings held during the time the director held office during the year.
B = Number of meetings attended.

Director name	Number of Audit Committee meetings during tenure	Number of Audit Committee meetings attended
David Wiadrowski (Chair)	5	5
Kim Anderson	5	5
Edwina Gilbert	5	5

Director name	Number of Risk Management Committee meetings during tenure	Number of Risk Management Committee meetings attended
Edwina Gilbert (Chair)	3	3
David Wiadrowski	3	3
Kee Wong	3	3

Director name	Number of People and Culture Committee meetings during tenure	Number of People and Culture Committee meetings attended
Kim Anderson (Chair)	4	4
Edwina Gilbert	4	4
Kee Wong	4	4
Wal Pisciotta	4	2

Director name	Sustainability Committee meetings during tenure	Number of Sustainability Committee meetings attended
Kee Wong (Chair)	3	3
Kim Anderson	3	3
David Wiadrowski	3	3

Dividends – carsales.com Ltd

Dividends paid to members during the financial year were as follows:

	2023 $'000	2022 $'000
Final fully franked dividend for the year ended 30 June 2022 of 24.5 cents (2021: 22.5 cents) per fully paid ordinary share paid on 17 October 2022 (2021: 18 October 2021).	**86,019**	63,527
Interim fully franked dividend for the year ended 30 June 2023 of 28.5 cents (2022: 25.5 cents) per fully paid share paid on 18 April 2023 (2022: 19 April 2022)	**100,132**	72,068
	186,151	**135,595**

At the end of the financial year the Directors have recommended the payment of a 50% franked final ordinary dividend of $122,508,000 (32.5 cents per share) to be paid on 16 October 2023 out of retained earnings at 30 June 2023.

Significant changes in the state of affairs

During the financial year the Company continued to deliver on its strategy both domestically and internationally. Further details are set out in the Operational and Financial Review on page 28.

Matters subsequent to the end of the financial year

No matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

Insurance of officers

During the financial year, carsales.com Ltd paid a premium to insure the Directors and officers of the Company and its Australian-based controlled entities. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

Indemnification of Directors and officers

All current Directors and officers are indemnified under a deed of indemnity, insurance and access.

Non-audit services

The Company may decide to employ the auditor on assignments additional to their statutory audit duties where the auditor's expertise and experience with the Company are important. Details of the amounts paid or payable to the auditor (PwC) for non-audit services provided during the year are set out below.

Other Directors’ Report Disclosures continued

The Board of Directors has considered the position and, in accordance with advice received from the Audit Committee, is satisfied that the provision of the non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The Directors are satisfied that the provision of non-audit services by the auditor, as set out below, did not compromise the auditor independence requirements of the *Corporations Act 2001* for the following reasons:

- all non-audit services have been reviewed by the Audit and Risk Management Committees to ensure they do not impact the impartiality and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants.

During the year the following fees were paid or payable for non-audit services provided by the auditor of the parent entity:

	2023 $	2022 $
Other assurance services		
Due diligence services	607,500	250,700
Other assurance services	–	126,498
Total remuneration for other assurance services	**607,500**	**377,198**
Taxation services		
Tax compliance services, including review of Company income tax returns	153,000	149,004
Total remuneration for taxation services	**153,000**	**149,004**
Total remuneration for non-audit services	**760,500**	**526,202**

Auditor’s independence declaration

A copy of the auditor’s independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 81.

Rounding of amounts

The Company is of a kind referred to in ASIC Corporations (Rounding in Financial/Directors’ Reports) Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to the ‘rounding off’ of amounts in the Director’s Report. Amounts in the Director’s Report have been rounded off in accordance with that Class Order to the nearest thousand dollars or, in certain cases, to the nearest dollar.

Auditor

PwC continues in office in accordance with section 327 of the *Corporations Act 2001*.

Corporate governance report

As allowed under the ASX Corporate Governance Principles and Recommendations (Fourth Edition) the Company has included its report on compliance with the principles in the year to 30 June 2023 in the Corporate Governance section of the Investor Centre on the carsales website. The full report can be found at the following URL: https://shareholder.carsales.com.au/governance/.

This report is made in accordance with a resolution of Directors.

Pat O’Sullivan
Chair

Cameron McIntyre
Managing Director and CEO

Melbourne
13 August 2023

Auditor's Independence Declaration

Auditor's Independence Declaration

As lead auditor for the audit of carsales.com Limited for the year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been:

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

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

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

Sam Lobley
Partner
PricewaterhouseCoopers

Melbourne
13 August 2023

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

Financial Statement Contents

Consolidated Statement of Comprehensive Income

For the Year Ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Continuing operations			
Revenue from contracts with customers	2	**781,236**	509,077
Total revenue from continuing operations		**781,236**	509,077
Expenses			
Costs of sale		**(60,538)**	(50,026)
Sales and marketing expenses		**(127,552)**	(87,794)
Service development and maintenance		**(62,793)**	(34,849)
Operations and administration		**(129,990)**	(67,459)
Earnings before interest, taxes, depreciation and amortisation*		**400,363**	268,949
Depreciation and amortisation expense		**(107,018)**	(46,691)
Finance income		**8,103**	477
Finance costs	3	**(55,947)**	(16,730)
Changes in fair value of put options		**–**	289
Impairment loss and business closure expenses	17,18,19(c)	**(37,642)**	–
Net gain on step acquisition of associates	20	**486,528**	–
Share of net profit from associates accounted for using the equity method	19(c)	**5,307**	17,176
Profit before income tax		**699,694**	223,470
Income tax expense	5(a)	**(51,377)**	(62,016)
Profit for the year		**648,317**	161,454
Other comprehensive income			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		**15,770**	30,105
Reclassification of exchange differences on step acquisition of associates	20	**(83,110)**	–
Remeasurement of post-employment benefit obligations		**239**	(919)
Movement in net investment hedge (net of tax)		**(10,433)**	–
Movement in cash flow hedge (net of tax)	9	**1,820**	(14,004)
Items that will not be reclassified to profit or loss:			
Changes in financial assets at fair value (net of tax) through other comprehensive income		**(6,257)**	12,372
Other comprehensive income for the year		**(81,971)**	27,554
Total comprehensive income for the year		**566,346**	189,008
Profit for the year is attributable to:			
Owners of carsales.com Ltd		**645,617**	160,816
Non-controlling interests		**2,700**	638
		648,317	161,454
Total comprehensive income for the year is attributable to:			
Owners of carsales.com Ltd		**562,501**	188,370
Non-controlling interests		**3,845**	638
		566,346	189,008

	Notes	2023 Cents	Restated 2022** Cents
Earnings per share for profit from continuing operations, attributable to the ordinary equity holders of the parent entity:			
Basic earnings per share	4	**181.3**	54.9
Diluted earnings per share	4	**181.1**	54.8

* EBITDA noted above is profit before interest income, interest expense, income taxes, depreciation, amortisation, impairment loss and business closure expenses, net gain on step acquisition of associates and share of net profit from associates accounted for using the equity method.

** Earnings per share for the year ended 30 June 2022 has been restated, in accordance with AASB 133, for the effects of the capital raises executed during the current financial year to fund the purchase of the remaining 51% in Trader Interactive and the additional 40% stake in webmotors. Refer to Note 4 for details.

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

Consolidated Statement of Financial Position

As at 30 June 2023

	Notes	2023 $'000	2022 $'000
ASSETS			
Current assets			
Cash and cash equivalents	8	**198,709**	117,452
Trade and other receivables	14	**136,629**	74,741
Derivative assets	9	**–**	5,526
Inventory		**2,475**	3,222
Total current assets		**337,813**	200,941
Non-current assets			
Investments accounted for using the equity method	19(c)	**–**	917,648
Financial assets at fair value through other comprehensive income	9,19(d)	**25,354**	36,896
Property, plant and equipment	15	**21,313**	14,654
Right-of-use assets	16	**58,583**	56,475
Deferred tax assets	5	**39,330**	17,215
Intangible assets	17	**4,180,985**	603,320
Other receivables	14	**21,280**	13,968
Total non-current assets		**4,346,845**	1,660,176
Total assets		**4,684,658**	1,861,117
LIABILITIES			
Current liabilities			
Trade and other payables	18	**91,313**	48,758
Lease liabilities	16	**11,173**	8,061
Borrowings	7	**26,098**	113
Current tax liabilities		**12,683**	36,717
Other financial liabilities	9	**1,136**	–
Provisions	18	**27,576**	10,996
Contract liabilities – deferred revenue		**14,814**	11,022
Total current liabilities		**184,793**	115,667
Non-current liabilities			
Other payables		**108**	1,241
Lease liabilities	16	**59,299**	56,370
Borrowings	7	**1,145,999**	649,626
Other financial liabilities	9	**8,991**	1,153
Deferred tax liabilities	5	**155,136**	18,994
Provisions	18	**5,703**	4,657
Total non-current liabilities		**1,375,236**	732,041
Total liabilities		**1,560,029**	847,708
Net assets		**3,124,629**	1,013,409
EQUITY			
Contributed equity	11	**2,451,802**	769,959
Reserves	12	**(83,530)**	(1,865)
Retained earnings		**700,736**	243,466
Non-controlling interests	19(b)	**55,621**	1,849
Total equity		**3,124,629**	1,013,409

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

Consolidated Statement of Changes in Equity

For the Year Ended 30 June 2023

		Attributable to owners of carsales.com Ltd				
	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2022		769,959	(1,865)	243,466	1,849	1,013,409
Profit for the year		–	–	645,617	2,700	648,317
Items that may be reclassified to profit or loss						
Exchange differences on translation of foreign operations		–	14,625	–	1,145	15,770
Reclassification of exchange differences on step acquisition of associates	20	–	(83,110)	–	–	(83,110)
Remeasurement of post-employment benefit obligations		–	239	–	–	239
Movement in net investment hedge (net of tax)		–	(10,433)	–	–	(10,433)
Movement in cash flow hedge (net of tax)	9	–	1,820	–	–	1,820
Items that will not be reclassified to profit or loss						
Changes in financial assets at fair value (net of tax) through other comprehensive income		–	(6,257)	–	–	(6,257)
Total comprehensive income for the year		–	(83,116)	645,617	3,845	566,346
Transfer of loss on disposal of equity investment at fair value through other comprehensive income to retained earnings		–	2,196	(2,196)	–	–
Transactions with owners in their capacity as owners:						
Contributions of equity upon exercise of employee share options	11	1,295	–	–	–	1,295
Contributions of equity net of transaction costs and tax	11	1,669,587	–	–	–	1,669,587
Increase in share-based payment reserve inclusive of tax	12	–	4,874	–	–	4,874
Dividends paid to company shareholders net of transaction costs		10,961	–	(186,151)	–	(175,190)
Dividends paid to non-controlling interests		–	–	–	(568)	(568)
Non-controlling interest on acquisition of subsidiary		–	–	–	46,690	46,690
Transactions with non-controlling interests		–	(5,619)	–	3,805	(1,814)
Balance at 30 June 2023		2,451,802	(83,530)	700,736	55,621	3,124,629

Consolidated Statement of Changes in Equity cont.

For the Year Ended 30 June 2023

	Notes	Attributable to owners of carsales.com Ltd				
		Contributed equity $'000	Reserves $'000	Retained earnings $'000	Non-controlling interests $'000	Total equity $'000
Balance at 1 July 2021		755,357	(21,440)	204,819	1,765	940,501
Profit for the year		–	–	160,816	638	161,454
Items that may be reclassified to profit or loss						
Exchange differences on translation of foreign operations		–	30,105	–	–	30,105
Remeasurement of post-employment benefit obligations		–	(919)	–	–	(919)
Movement in cash flow hedge (net of tax)	9	–	(14,004)	–	–	(14,004)
Items that will not be reclassified to profit or loss						
Changes in financial assets at fair value (net of tax) through other comprehensive income		–	12,372	–	–	12,372
Total comprehensive income for the year		–	27,554	160,816	638	189,008
Transfer of gain on disposal of equity investment at fair value through other comprehensive income to retained earnings		–	(13,426)	13,426	–	–
Transactions with owners in their capacity as owners:						
Contributions of equity upon exercise of employee share options	11	6,120	–	–	–	6,120
Contributions of equity net of transaction costs and tax	11	(1,436)	–	–	–	(1,436)
Increase in share-based payment reserve inclusive of tax	12	–	5,690	–	–	5,690
Dividends paid to company shareholders		9,918	–	(135,595)	–	(125,677)
Dividends paid to non-controlling interests		–	–	–	(549)	(549)
Transactions with non-controlling interests		–	(243)	–	(5)	(248)
Balance at 30 June 2022		769,959	(1,865)	243,466	1,849	1,013,409

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

Consolidated Statement of Cash Flows

For the Year Ended 30 June 2023

	Notes	2023 $'000	2022 $'000
Cash flows from operating activities			
Receipts from customers (including GST)		**827,551**	549,461
Payments to suppliers and employees (including GST)		**(432,348)**	(282,938)
Income taxes paid		**(95,941)**	(62,880)
Net cash inflow from operating activities	6(a)	**299,262**	203,643
Cash flows from investing activities			
Payment for investment in non-controlling interests, associates and subsidiaries (net of cash acquired and loans to associate)		**(1,584,586)**	(849,036)
Proceeds from/(investment in) term deposits with maturity greater than 90 days		**14,252**	(14,593)
Proceeds from financial instruments held for investing activities		**85,191**	54,472
Proceeds from sale of financial assets at fair value through other comprehensive income		**4,634**	25,385
Payments for property, plant and equipment		**(8,942)**	(7,882)
Payments for intangible assets		**(78,064)**	(40,391)
Interest received		**8,279**	477
Proceeds from sale of property, plant and equipment		**329**	511
Dividends received from associates	19(c)	**5,334**	–
Net cash outflow from investing activities		**(1,553,573)**	(831,057)
Cash flows from financing activities			
Proceeds from issues of shares and other equity securities (net of transaction costs)		**1,686,587**	4,930
Proceeds from borrowings		**2,814,182**	716,403
Repayment of borrowings		**(2,325,447)**	(112,141)
Payment of loan establishment fees		**(5,475)**	(699)
Principal elements of lease payments		**(10,137)**	(7,836)
Deposits paid for leases		**(2,250)**	(2,166)
Payment of Trader Interactive external debt on acquisition	20(a)(vii)	**(597,256)**	–
Dividends paid to company shareholders		**(186,151)**	(125,677)
Dividends paid to non-controlling interests	19(b)	**(568)**	(549)
Interest paid		**(58,492)**	(10,175)
Net cash inflow from financing activities		**1,314,993**	462,090
Effects of exchange rates on cash and cash equivalents		**20,575**	(1,228)
Net increase/(decrease) in cash and cash equivalents		**81,257**	(166,552)
Cash and cash equivalents at the beginning of the financial year		**117,452**	284,004
Cash and cash equivalents at the end of the financial year		**198,709**	117,452

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

Notes to the Consolidated Financial Statements cont.

30 June 2023

Basis of preparation

carsales.com Ltd is a for-profit entity for the purpose of preparing the financial statements. The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of carsales.com Ltd ('Company' or 'parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. carsales.com Ltd and its subsidiaries together are referred to in this Financial Report as 'the Group' or 'the consolidated entity'.

These general purpose financial statements:

(i) Have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board and the *Corporations Act 2001*.

(ii) Comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

(iii) Have been prepared on a going concern basis.

(iv) Have been prepared under the historical cost convention except for the revaluation of financial assets and liabilities (including derivative instruments) measured at fair value through other comprehensive income.

Amounts in the financial statements are presented in Australian dollars with all values rounded to the nearest thousand dollars, or in certain cases, the nearest dollar, in accordance with the *Australian Securities and Investments Commission Corporations Instrument 2016/191*.

Key estimates and judgements

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies.

The estimation uncertainty is predominantly related to the fair value on acquisition of the additional equity interests in webmotors and Trader Interactive (Note 20), fair value measurement and recoverable amount assessments for intangible assets (Note 17), financial assets and liabilities at fair value through other comprehensive income (Note 9), as well as deferred tax assets relating to tax losses and uncertain tax positions (Note 5).

Other areas with a level of estimation include trade receivables (Note 14) and research and development (R&D) claims (Note 5).

Corporate Information

carsales.com Ltd (the 'Company') is a company limited by shares, incorporated and domiciled in Australia. Its registered office and principal place of business is:

carsales.com Ltd
Level 4, 449 Punt Road
Richmond Vic 3121

The Financial Report was authorised for issue by the Directors on 13 August 2023. The Directors have the power to amend and reissue the Financial Report.

All press releases, Financial Reports and other information are available at our shareholders' centre on our website: shareholder.carsales.com.au. For queries in relation to our reporting, please call +61 (3) 9093 8600.

These financial statements have been streamlined where key information is grouped together for ease of understanding and readability. The notes include information which is required to understand the financial statements and is material and relevant to the operations, financial position and performance of the Group. Information is considered material and relevant if, for example:

- the amount in question is significant because of its size or nature;
- it is important for understanding the results of the Group;
- it helps to explain the impact of significant changes in the Group's business – for example, acquisitions; or
- it relates to an aspect of the Group's operations that is important to its future performance.

KEY PERFORMANCE

This section provides information that the Directors consider most relevant to understanding performance and shareholder returns for the year and summarises the accounting policies, judgements and estimates relevant to understanding these line items.

1. Segment information

Accounting policy

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker has been identified as the Chief Executive Officer ('CEO').

Management has determined the operating segments based on the reports reviewed by the CEO that are used to make strategic decisions.

The Group's operating segments are determined firstly based on location, and secondly by function, of the Group's operations.

Effective for the year ended 30 June 2023, the Group has disaggregated the Americas segment into two separate segments called "North America" which comprises of Trader Interactive and "Latin America" which comprises of webmotors, Chileautos and Soloautos. The rationale behind changing the operating and reporting segments is to better align with the operating group structure and the manner in which financial information is reported to the chief operating decision maker internally.

The prior year comparatives have also been restated to reflect this.

The Group principally operates in six business segments which are described below:

Operating segment	Nature of operations and primary source of revenue	Geographical location
Australia – Online Advertising Services	Online Automotive Classifieds, Display Advertising services and Finance Commission.	Australia
Australia – Data, Research and Services	Automotive Data Services including software, analysis, research and reporting, valuation services, website development, hosting and photography services. This segment also includes display and consumer advertising related to these divisions.	Australia
Australia – carsales investments	Online Tyre Retail and Wholesale and Inspection Services.	Australia
North America	Online Automotive Classifieds, Display Advertising services and Automotive Data Services.	United States of America, Canada
Latin America	Online Automotive Classifieds, Display Advertising services, Automotive Data Services and Finance Commission.	Brazil, Chile and Mexico
Asia	Online Automotive Classifieds, Display Advertising services and Automotive Data Services.	South Korea, Malaysia, Thailand, China and Indonesia

Notes to the Consolidated Financial Statements cont.

30 June 2023

1. Segment information continued

Segment analysis

2023	Australia – Online Advertising Services $'000	Australia – Data, Research and Services $'000	Australia – carsales investments $'000	North America $'000	Latin America $'000	Asia $'000	Total $'000
Segment revenue	353,428	45,641	60,894	183,016	34,377	103,880	781,236
EBITDA*	214,133	29,629	(6,825)	100,809	10,111	52,506	400,363
Depreciation and amortisation expense							(107,018)
Impairment loss and business closure expenses**							(37,642)
Net finance costs							(47,844)
Share of net profit/(loss) from associates accounted for using the equity method	(100)	–	–	(721)	6,128	–	5,307
Net gain on step acquisition of associates							486,528
Income tax expense							(51,377)
Non-controlling interests							(2,700)
Profit for the year attributable to owners of carsales.com Ltd							645,617
Segment assets	228,662	17,132	10,621	2,816,935	778,716	464,844	4,316,910
Deferred tax assets							39,330
Cash and cash equivalents							198,709
Unallocated assets							129,709
Total assets							4,684,658

* EBITDA noted above is profit before interest income, interest expense, income taxes, depreciation, amortisation, impairment loss and business closure expenses, net gain on step acquisition of associates and share of net profit from associates accounted for using the equity method.

** Relates to the impairment of goodwill and intangible assets allocated to the Tyres CGU (refer to Note 17(a)), the write down of the intangible assets attributed to the Placie business which ceased operations during the period, provision for costs associated with the closure of the Mexico business as well as the write down of the investment in Skedgo which was classified as an associate. Refer to Note 17 and 19(c).

The contributions of Placie and related businesses up to the date of closure and the comparative period are not considered material to the Group's consolidated results and therefore are not reclassified to discontinued operations. As the applicable assets of Placie and related businesses were written-off or sold during the year they are no longer included in the Statement of Financial Position. Remaining liabilities relating to Placie and related businesses are not material to the Group as at 30 June 2023.

RESTATED** 2022	Australia – Online Advertising Services $'000	Australia – Data, Research and Services $'000	Australia – carsales investments $'000	North America $'000	Latin America $'000	Asia $'000	Total $'000
Segment revenue	307,208	44,068	56,489	–	5,957	95,355	509,077
EBITDA*	194,888	28,792	(1,877)	–	(1,640)	48,786	268,949
Depreciation and amortisation expense							(46,691)
Net finance costs							(16,253)
Changes in fair value of put options							289
Share of net profit/(loss) from associates accounted for using the equity method	(14)	–	–	12,100	5,090	–	17,176
Income tax expense							(62,016)
Non-controlling interests							(638)
Profit for the year attributable to owners of carsales.com Ltd							160,816
Segment assets	204,495	17,013	30,852	857,099	82,952	446,973	1,639,384
Deferred tax assets							17,215
Cash and cash equivalents							117,452
Unallocated assets							87,066
Total assets							1,861,117

* EBITDA noted above is profit before interest income, interest expense, income taxes, depreciation, amortisation, impairment loss and business closure expenses, net gain on step acquisition of associates and share of net profit from associates accounted for using the equity method.

** Balances for the year ended 30 June 2022 have been restated with the change to operating segments.

Segment assets are measured in the same way as in the financial statements. Segment assets include goodwill, trade and other receivables, brands, customer relationships, property, plant and equipment, right-of-use assets, financial assets at fair value through other comprehensive income and investments accounted for using equity method. Unallocated assets include intangible and other assets utilised across multiple segments. All unallocated assets are assessed by the chief operating decision maker at a consolidated entity level.

Liabilities are not reported to the chief operating decision maker by segment. All liabilities are assessed at a consolidated entity level.

2. Revenue from contracts with customers

Accounting policy

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following product and reporting segment. Amounts disclosed as revenue are net of returns, agency commissions, trade allowances, rebates and amounts collected on behalf of third parties. Where services have not been provided but the Group is obligated to provide the services in the future, a contract liability is recognised.

Type of revenue	Reporting segment	Recognition criteria
Dealer leads	Online Advertising/Latin America/Asia	Lead revenues are recognised at a point in time upon delivery of the lead to the dealers' lead management system.
Dealer listings	Online Advertising/North America/Latin America/Asia	Dealer listings usually have a definite end date to the advertisement and where they do not, an average duration is calculated. Revenues are recognised over the period during which the listing is displayed on the carsales network.
Listing depth products	Online Advertising/North America/Latin America/Asia	Transaction value is allocated to customer service obligations based on the fair value and revenue is recognised over the period during which the product is displayed on the carsales network.
Private listing	Online Advertising /North America/Latin America/Asia	Private listings remain effective until the consumer removes the advertisement. Revenues are recognised over the average number of days advertisements are displayed (based on historical trends).
Instant offer	Online Advertising	Revenue is recognised at a point in time upon satisfaction of the performance obligation, that being the acceptance of the instant offer by the seller and thus the facilitation of the successful sale by the seller to an official buyer.
Bundled products	Online Advertising/North America/Latin America/Asia	Includes the combination of dealer advertising products and corporate media services under one single contractual price. Whilst the products are bundled, each individual service has its own distinct performance obligations and stand-alone selling prices (used to determine the fair value of each service). Revenue is recognised over time as performance obligations are fulfilled.
Sponsorship advertising	Online Advertising/North America/Latin America/Asia	Revenues from sponsorship advertising are recognised in the period over which the advertisements are placed or displayed, depending on the type of contract.
Performance advertising and contracts	Online Advertising /North America/Latin America/Asia	Revenues from performance advertising and performance contracts are recognised when the performance measure occurs and is generated (e.g. cost per click).
Subscription services	Online Advertising/Data, Research and Services/North America/Latin America/Asia	Subscription revenues are recognised over the subscription period.
Sale of goods	carsales investments	Revenues are recognised at a point in time when goods have been provided to a customer.
Inspection services	carsales investments/Asia	Revenue from vehicle inspection services are recognised when the inspection service is performed.
Finance commission	Online Advertising/Latin America	Commission revenue is recognised at a point in time when a customer finances the purchase of a vehicle with a 3rd party through the carsales network.

Contracts with customers do not include a significant financing component.

As a practical expedient, the Group recognises any incremental costs of obtaining a contract, which mainly consist of sales commissions, as an expense when incurred given the amortisation period of the asset that would have been recognised is one year or less.

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major segments:

2023	Australia – Online Advertising Services $'000	Australia – Data, Research and Services $'000	Australia – carsales investments $'000	North America $'000	Latin America $'000	Asia $'000	Total $'000
Total revenue from external customers	**353,428**	**45,641**	**60,894**	**183,016**	**34,377**	**103,880**	**781,236**
Revenue is recognised							
At a point in time	**188,032**	**9,452**	**60,894**	**18,986**	**18,028**	**47,050**	**342,442**
Over time	**165,396**	**36,189**	**–**	**164,030**	**16,349**	**56,830**	**438,794**

RESTATED* 2022	Australia – Online Advertising Services $'000	Australia – Data, Research and Services $'000	Australia – carsales investments $'000	North America $'000	Latin America $'000	Asia $'000	Total $'000
Total revenue from external customers	307,208	44,068	56,489	–	5,957	95,355	509,077
Revenue is recognised							
At a point in time	170,664	7,807	56,489	–	345	35,599	270,904
Over time	136,544	36,261	–	–	5,612	59,756	238,173

* The allocation of revenues for the year ended 30 June 2022 between the Group's operating segments have been restated to align with the new operating segments.

3. Other income and expenses

Accounting Policy

(i) Defined benefit obligations

ENCARSALES.COM Ltd, the Group's subsidiary in South Korea, operates a defined benefit plan, under which amounts to be paid as retirement benefits are determined by reference to a formula based on employee's earnings and years of service. The defined benefit asset or liability comprises the present value of the defined benefit obligations, past service costs and actuarial gains and losses not yet realised, less the fair value of plan assets out of which the obligations are to be settled. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method. The discount rate used in calculating the present value of defined benefit obligations is determined by reference to market yields at the end of the reporting period on high quality corporate bonds of a term consistent with the term of the post-employment benefit obligations. Remeasurements, comprising of actuarial gains and losses, the effect of the asset ceiling, net interest and the return on plan assets, are recognised immediately in the statement of financial position. Actuarial gains and losses result in a corresponding debit or credit to reserves through OCI in the period in which they occur. Net interest and the return on plan assets are recognised in the Consolidated Statement of Comprehensive Income.

(ii) Finance costs

Fees paid on the establishment of loan facilities are recognised net against the loan and amortised on a straight-line basis over the term of the facility. Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed. The unwinding of the discount on put option liabilities are recognised as a finance expense.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

	2023 $'000	2022 $'000
Total profit before income tax includes the following specific expenses:		
Employee benefits	**162,609**	96,174
Defined contribution superannuation expense	**15,610**	12,081
Defined benefit expense – ENCARSALES.COM, Ltd.	**2,101**	1,562
Interest – borrowings	**49,312**	9,378
Interest – leases	**2,066**	1,563
Other finance costs	**1,897**	2,129
Hedging costs	**(3,016)**	(2,028)
Amounts reclassified to income statement from Cash Flow Hedge Reserve	**5,688**	5,688
Total finance costs	**55,947**	16,730

4. Earnings per share

Accounting Policy

Basic earnings per share is calculated by dividing:

- the profit attributable to equity holders of the Company, excluding any costs of servicing equity other than ordinary shares;
- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year.

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the post income tax effect of interest and other financing costs associated with dilutive potential ordinary shares; and
- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

Options and performance rights granted to employees under the carsales.com Ltd Employee Option Plan are considered to be potential ordinary shares and have been included in the determination of diluted earnings per share to the extent to which they are dilutive. The options and performance rights have not been included in the determination of basic earnings per share. Details relating to the options are set out in Note 26.

(a) Reported earnings per share

	Basic earnings per share		**Diluted earnings per share**	
	2023	**Restated 2022**	**2023**	**Restated 2022**
Earnings per share for profit attributable to the ordinary equity holders of the Company:				
Reported profit attributable to equity holders of the Company	**645,617,000**	160,816,000	**645,617,000**	160,816,000
Weighted average number of ordinary shares	**356,175,047**	282,482,797	**356,175,047**	282,482,797
Dilutive impact of options	**–**	–	**108,630**	85,592
Dilutive impact of performance rights	**–**	–	**241,679**	336,695
Dilutive impact of renounceable entitlement offer	**–**	10,304,524	**–**	10,304,524
Total weighted average number of ordinary shares used in EPS calculation	**356,175,047**	292,787,321	**356,525,356**	293,209,608
Reported earnings per share/cents	**181.3**	54.9	**181.1**	54.8

4. Earnings per share continued

(b) Adjusted earnings per share*

	Basic earnings per share		Diluted earnings per share	
	2023	**2022 Restated**	**2023**	**Restated 2022**
Reported profit attributable to equity holders of the Company	**645,617,000**	160,816,000	**645,617,000**	160,816,000
Add: Dealer Support Package (net of tax)	**–**	321,000	**–**	321,000
Add: M&A and Restructuring costs (net of tax)	**20,576,000**	1,416,000	**20,576,000**	1,416,000
Less: Financing Cost, Hedge and FX (net of tax)	**(291,000)**	2,882,000	**(291,000)**	2,882,000
Add: Acquired intangible amortisation (net of tax)	**48,952,000**	22,962,000	**48,952,000**	22,962,000
Less: Net gain on step acquisition of associates	**(486,528,000)**	–	**(486,528,000)**	–
Add: Impairment of investments and business closure costs	**37,642,000**	–	**37,642,000**	–
Add: Trader Interactive non-recurring costs	**12,256,000**	6,431,000	**12,256,000**	6,431,000
Adjusted profit attributable to equity holders of the Company for continuing operations	**278,224,000**	194,828,000	**278,224,000**	194,828,000
Adjusted earnings per share/cents for continuing operations*	**78.1**	66.5	**78.0**	66.4

* The Directors believe the presentation of "adjusted earnings per share" provides a useful measure to assess the performance of the Group by excluding significant one-off items of income and expense to arrive at an adjusted profit measure which reflects the underlying financial performance of the Group. The tax benefit associated with the other deductible amortisation (included in Note 5(b)) arising from the Trader acquisition is included within adjusted profit.

Earnings per share for the year ended 30 June 2022 has been restated, in accordance with AASB 133, for the effects of the capital raises executed during the current financial year to fund the purchase of the remaining 51% in Trader Interactive and the additional 40% stake in webmotors.

5. Income tax

Accounting Policy

The income tax expense or benefit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws in the countries where the Company's subsidiaries and associates operate and generate taxable income. The Group establishes provisions where appropriate on the basis of amounts expected to be paid to tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the Company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future. Where there are current and deferred tax balances attributable to amounts recognised directly in equity, they are also recognised directly in equity.

The Group parent entity, carsales.com Ltd, and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a standalone taxpayer in its own right.

On 8 October 2021, 136 countries reached an agreement for a two-pillar approach to international tax reform ("the OECD agreement"). Among other things, Pillar One proposes a reallocation of a proportion of tax to market jurisdictions, while Pillar Two seeks to apply a global minimum effective tax rate of 15%. The tax reform is not applicable for the Group, as carsales does not meet the relevant threshold.

Adoption of Voluntary Tax Transparency Code

On 3 May 2016, the Australian Treasurer released a Voluntary Tax Transparency Code (the TTC). The TTC recommends additional tax information be publicly disclosed to help educate the public about large corporate compliance with Australia's tax laws. The Group fully supports the TTC and signed up to it from the financial year ended 30 June 2019. Accordingly, the income tax disclosures in this Note include all relevant recommended additional disclosures of Part A of the Code.

5. Income Tax continued

Key Assumption/Accounting Estimates

Deferred tax assets relating to tax losses

The Group recognises deferred tax assets relating to carry forward tax losses to the extent there are sufficient taxable temporary differences relating to the same taxable authority and the same subsidiary against which the unused tax losses can be utilised. However, utilisation of the tax losses also depends on the ability of the entity to satisfy certain tests at the time the losses are recouped.

Uncertain tax positions

The Group applies its current understanding of the tax law to estimate tax liabilities where the ultimate tax position is uncertain. When the tax position is ultimately determined or tax laws change, the actual tax liability may differ from this current estimate.

Research and development (R&D) claim

The research and development claim available to the Company is estimated in the accounts because a full assessment of the position cannot be made by the year end. It is the policy of the Company to only bring to account that preliminary portion of expenses that is reasonably expected to be claimable at period end.

(a) Income tax expense

	2023 $'000	2022 $'000
Current tax	**62,565**	65,120
Adjustments for current tax of prior periods	**(2,019)**	(684)
Deferred tax	**(8,776)**	(2,517)
Adjustments for deferred tax of prior periods	**(393)**	97
	51,377	62,016
Deferred income tax expenses included in income tax expense comprises:		
Increase in deferred tax assets	**(765)**	(678)
Decrease in deferred tax liabilities	**(8,011)**	(1,839)
	(8,776)	(2,517)

(b) Numerical reconciliation of income tax expense

	2023 $'000	2022 $'000
Profit from continuing operations before income tax expense	**699,694**	223,470
Tax at the Australian tax rate of 30.0% (2022 – 30.0%)	**209,908**	67,041
Tax effect of amounts which are not deductible/(taxable) in calculating taxable income:		
Non-assessable income (R&D tax offset) (a)	**(475)**	(395)
Share options (b)	**(1,557)**	(1,523)
Sundry items	**(968)**	3,084
Non-deductible amortisation	**789**	1,098
Adjustment for prior periods	**(2,412)**	(587)
Current year losses for which no deferred tax has been recognised or tax losses written off (c)	**5,917**	1,591
Tax relating to net profit from associates (d)	**(1,592)**	(5,153)
Income tax differential (effect of foreign tax rates) (e)	**(27,130)**	(3,140)
Net gain on step acquisition of associates (non-assessable) (f)	**(126,102)**	–
Non-deductible impairment (g)	**7,548**	–
Other deductible amortisation	**(12,549)**	–
Income tax expense	**51,377**	62,016

(c) Amounts recognised directly into equity

Aggregate current and deferred tax arising in the reporting period and not recognised in the income statement or other comprehensive income but directly (credited) or debited to equity:

	2023 $'000	2022 $'000
Current tax – (credited) directly to equity	**(681)**	(31)
Net deferred tax – debited/(credited) directly to equity	**3,330**	9,913
	2,649	9,882

Explanation of key tax items:

(a) The Group's utilisation of research and development tax incentives.

(b) Amount relating to the provision of equity incentives.

(c) Amount relating to tax losses for which a deferred tax asset has not been recognised. The majority of these losses may be carried forward for between 5 and 10 years. Also includes amount relating to the write-off of tax losses for which a deferred tax asset had previously been recognised.

(d) The Group's share of associates' results taken up in Group results, net of tax expense.

(e) The Group's profits are taxed at prevailing statutory rates which vary to the Australian statutory tax rate (as noted in the table below).

(f) Non-assessable gain on step acquisition of webmotors and Trader Interactive.

(g) Relates to impairment of Tyres business and Placie business as well as business closure costs expected for Mexico.

Notes to the Consolidated Financial Statements cont.
30 June 2023

5. Income Tax continued
Statutory tax rates:

Country	2023	2022
Australia	**30%**	30%
New Zealand	**28%**	28%
Malaysia	**24%**	24%
China	**25%**	25%
Thailand	**20%**	20%
South Korea	**21%**	22%
USA	**21%**	21%
Brazil	**34%**	34%
Chile	**27%**	27%
Mexico	**30%**	30%

(d) Effective tax rate

	2023 $'000	2022 $'000
Profit before income tax expense (A)	**699,694**	223,470
Income tax expense (B)	**51,377**	62,016
Effective tax rate (B/A)	**7%**	28%

The effective tax rate of the Group for 2023 was affected by non-taxable gains on step acquisition of associates, without which the effective tax rate for the year would have been 25%.

The effective tax rate of the Group for 2022 was affected by tax relating to net profit from associates, without which the effective tax rate for the year would have been 30%.

Tax losses

	2023 $'000	2022 $'000
Unused tax losses for which no deferred tax asset has been recognised	**14,339**	29,287
Potential tax benefit	**4,241**	9,203

The unrecognised tax losses were incurred by loss making subsidiaries that are not likely to generate taxable income in the foreseeable future. They will be carried forward for at least five years.

(e) Deferred tax assets

The balance comprises temporary differences attributable to:

	Employee benefits $'000	Employee Share Trust $'000	Doubtful debts $'000	Expense accruals $'000	Intan-gibles $'000	Tax losses $'000	Other $'000	Total $'000
At 1 July 2022	**3,466**	**2,155**	**295**	**2,751**	**(2,539)**	**2,163**	**8,924**	**17,215**
(Charged)/credited to profit or loss	**(1,157)**	**742**	**921**	**1,669**	**(2,326)**	**(104)**	**1,020**	**765**
Credited/(charged) directly to equity	**–**	**(11)**	**–**	**–**	**–**	**–**	**(506)**	**(517)**
Acquired tax losses	**–**	**–**	**–**	**–**	**–**	**21,787**	**–**	**21,787**
Exchange differences	**12**	**–**	**–**	**–**	**–**	**68**	**–**	**80**
At 30 June 2023	**2,321**	**2,886**	**1,216**	**4,420**	**(4,865)**	**23,914**	**9,438**	**39,330**
At 1 July 2021	3,328	2,109	658	4,511	(3,079)	2,219	8,095	17,841
(Charged)/credited to profit or loss	219	965	(363)	(1,760)	540	–	1,077	678
Credited/(charged) directly to equity	–	(919)	–	–	–	–	(246)	(1,165)
Exchange differences	(81)	–	–	–	–	(56)	(2)	(139)
At 30 June 2022	3,466	2,155	295	2,751	(2,539)	2,163	8,924	17,215

	2023 $'000	2022 $'000
Deferred tax assets expected to be recovered within 12 months	**13,456**	10,375
Deferred tax assets expected to be recovered after more than 12 months	**25,874**	6,840
	39,330	17,215

Certain liability balances are shown as part of deferred tax assets, as they originate in the same jurisdiction as, and can be offset against, other deferred tax assets. The liability balance for intangibles shown as part of deferred tax assets relates to in-house developed and capitalised software in Australia.

5. Income Tax continued

(f) Deferred tax liabilities

The balance comprises temporary differences attributable to:

	Intangibles $'000	Fair Value Investment $'000	Derivatives $'000	Total $'000
At 1 July 2022	**12,734**	**4,602**	**1,658**	**18,994**
Charged/(credited) to the profit or loss	**(8,011)**	**–**	**–**	**(8,011)**
Charged/(credited) directly to equity	**–**	**(1,154)**	**(1,658)**	**(2,812)**
Acquired intangibles	**146,521**	**–**	**–**	**146,521**
Exchange differences	**444**	**–**	**–**	**444**
At 30 June 2023	**151,688**	**3,448**	**–**	**155,136**
At 1 July 2021	16,766	4,911	10,098	31,775
Charged/(credited) to the profit or loss	(1,839)	–	–	(1,839)
Charged directly to equity	–	(309)	(8,440)	(8,749)
Acquired intangibles	(1,366)	–	–	(1,366)
Exchange differences	(827)	–	–	(827)
At 30 June 2022	12,734	4,602	1,658	18,994

	2023 $'000	2022 $'000
Deferred tax liabilities expected to be settled within 12 months	**8,011**	3,498
Deferred tax liabilities expected to be settled after more than 12 months	**147,125**	15,496
	155,136	18,994

6. Reconciliation of cash flows

(a) Reconciliation of profit after income tax to net cash inflow from operating activities

	2023 $'000	2022 $'000
Profit for the year	**648,317**	161,454
Depreciation and amortisation	**107,018**	46,691
Impairment loss and business closure expenses	**37,642**	–
Non-cash employee benefits expense – share-based payments	**2,683**	2,098
Gain on disposal of assets	**(168)**	(145)
Net finance related costs	**47,844**	17,240
Share of net profit from associates accounted for using the equity method	**(5,307)**	(17,176)
Bad debts written-off	**1,287**	185
Changes in fair value of put options	**(257)**	(289)
Building refurbishment incentive income	**(584)**	(584)
Net gain on step acquisition of associates	**(486,528)**	–
Other	**2,202**	4,089
Change in operating assets and liabilities:		
(Increase) in trade debtors	**(8,644)**	(10,219)
Decrease/(Increase) in inventory	**849**	(2,256)
Decrease in deferred tax assets	**504**	129
(Decrease)/Increase in trade creditors and other liabilities	**(1,648)**	3,321
Increase in contract liabilities – deferred revenue	**37**	395
(Decrease)/Increase in provision for income taxes payable	**(46,077)**	596
(Decrease) in deferred tax liabilities	**(643)**	(2,903)
Increase in other provisions	**735**	1,017
Net cash inflow from operating activities	**299,262**	203,643

6. Reconciliation of cash flows continued

(b) Changes in assets and liabilities arising from financing activities

The table below shows cash and non-cash changes in assets and liabilities for which cash flows were, or will be, classified as financing activities in the Consolidated Statement of Cash Flows.

	Liabilities from financing activities			Other financial liabilities/assets		
2023	**Borrowings $'000**	**Lease liabilities $'000**	**Other financial liabilities $'000**	**Derivative (liabilities)/ assets $'000**	**Lease deposits $'000**	**Total $'000**
Opening balance	**(649,739)**	**(64,431)**	**(1,153)**	**–**	**12,125**	**(703,198)**
Net cash flows from financing activities	**(488,734)**	**10,137**	**–**	**(85,191)**	**2,250**	**(561,538)**
Acquisitions – leases	**–**	**(15,298)**	**–**	**–**	**–**	**(15,298)**
Modification – leases	**–**	**(1,989)**	**–**	**–**	**–**	**(1,989)**
Termination – leases	**–**	**316**	**–**	**–**	**–**	**316**
Acquisitions and NCI transactions	**(29,814)**	**–**	**(8,790)**	**–**	**–**	**(38,604)**
Fair value through OCI (net of tax)	**–**	**–**	**–**	**85,191**	**–**	**85,191**
Fair value through P&L	**–**	**–**	**(257)**	**–**	**–**	**(257)**
Foreign exchange adjustments	**(6,459)**	**793**	**–**	**–**	**166**	**(5,500)**
Other changes	**2,649**	**–**	**73**	**–**	**–**	**2,722**
Closing balance	**(1,172,097)**	**(70,472)**	**(10,127)**	**–**	**14,541**	**(1,238,155)**

	Liabilities from financing activities			Other financial liabilities/assets		
2022	**Borrowings $'000**	**Lease liabilities $'000**	**Other financial liabilities $'000**	**Derivative (liabilities)/ assets $'000**	**Lease deposits $'000**	**Total $'000**
Opening balance	(43,230)	(63,352)	(1,172)	33,658	10,464	(63,632)
Net cash flows from financing activities	(604,262)	7,836	–	–	2,166	(594,260)
Acquisitions – leases	–	(7,617)	–	–	–	(7,617)
Modification – leases	–	(1,652)	–	–	–	(1,652)
Fair value through OCI (net of tax)	–	–	(243)	(33,658)	–	(33,901)
Fair value through P&L	–	–	289	–	–	289
Foreign exchange adjustments	–	354	–	–	(505)	(151)
Other changes	(2,247)	–	(27)	–	–	(2,274)
Closing balance	(649,739)	(64,431)	(1,153)	–	12,125	(703,198)

FINANCING AND RISK MANAGEMENT

This section provides information about the capital management practices of the Group, the Group's exposure and management of various financial risks and explains how these affect the Group's financial position and performance.

When managing capital, the Group aims to optimise the capital structure in order to maximise returns to shareholders, reduce the cost of capital and provide flexibility for strategic investment.

7. Borrowings

Accounting policy

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the profit or loss over the period of the borrowings using the effective interest method.

Fees paid on the establishment of loan facilities are recognised net against the loan and amortised on a straight-line basis over the term of the facility.

Borrowings are derecognised from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Borrowing costs incurred for the construction of any qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which the expense is incurred.

	2023 $'000	**2022 $'000**
Current borrowings	**26,098**	113
Non-current borrowings	**1,145,999**	649,626
	1,172,097	649,739

(a) Bank debt

At 30 June 2023 carsales.com Ltd had a syndicated revolving loan facility and established a $1,100.0 million debt facility under a Common Terms Deed (CTD) documentation structure, as follows:

	Commitment $'000	**Drawn at close $'000**	**Maturity date**
Tranche B	850,000	586,100	14 September 2025
Tranche C	250,000	100,000	14 September 2027
Total	1,100,000	686,100	

Ten financiers are part of the syndicate and each of these financiers entered into a bilateral facility agreement with the Company under the CTD documentation structure. The syndicate comprises National Australia Bank Limited (NAB), Australia and New Zealand Banking Group Limited (ANZ), Hongkong and Shanghai Banking Corporation Limited (HSBC), Westpac Banking Corporation (WBC), Commonwealth Bank of Australia (CBA), MUFG Bank Limited, Bank of China (BOC), Sumitomo Mitsui Banking Corporation (SMBC), Mizuho Bank, Ltd and BNP Paribas.

Borrowings under this loan facility bear interest at a floating rate of BBSY Bid plus a margin, with margin based on a net leverage ratio of the Group. The Group has complied with all debt covenants throughout the reporting period.

The Group has access to the following undrawn bank facilities at the end of the reporting period:

Floating rate	2023 $'000	2022 $'000
– Expiring within one year	–	–
– Expiring within two to five years	413,900	249,000
	413,900	249,000

In addition, the Group had bank loan facilities denominated in Brazilian Real (BRL), of which $25.7 million is due in the next 12 months and $10.2 million is due later than 12 months.

(b) US Private Placement debt

At 30 June 2023, the Group had long-term, fixed rate notes on issue to investors in the US Private Placement market. The notes are denominated in US dollars and are issued in three tranches, as follows:

	Face value USD$'000	Carrying value $'000	Interest rate	Maturity date
Series A – 7 year	100,000	150,921	5.88%	2 July 2030
Series B – 8 year	100,000	150,921	5.92%	2 July 2031
Series C – 9 year	100,000	150,921	5.96%	2 July 2032
Total	**300,000**	**452,763**		

Interest is payable semi-annually to noteholders.

(c) Bank guarantee facility

Guarantees in respect of bank facilities drawn down but not included in the accounts of the Group are $4.0 million (2022: $4.0 million).

8. Cash and cash equivalents

Accounting Policy

For cash flow statement presentation purposes, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value and bank overdrafts.

Bank overdrafts are shown within borrowings in current liabilities on the consolidated statement of financial position.

	2023 $'000	2022 $'000
Cash at bank	161,013	117,387
Short-term deposits and other liquid investments*	37,696	65
Total cash and cash equivalents	198,709	117,452

* Other liquid investments comprise cash allocated to investment funds, where the funds are readily available for withdrawal upon request.

9. Financial assets and liabilities and fair value measurement

Accounting Policy

Derivatives

Classification of derivatives

The Company designates derivatives as hedging instruments in respect of foreign currency risk and interest rate risk in fair value hedges, cash flow hedges, or hedges of net investments in foreign operations as appropriate. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

Derivatives are only used for economic hedging purposes and not as speculative investments. However, where derivatives do not meet the hedge accounting criteria, they are classified as 'held for trading' for accounting purposes and are accounted for at fair value through profit or loss. The hedges are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

Cash flow hedges

Cash flow hedges are accounted for as follows: the fair value gain or loss associated with the effective portion of the derivative is recognised initially in other comprehensive income (cash flow hedge reserve – CFHR) and then recycled to the income statement in the same period that the hedged item affects the income statement. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement immediately.

Hedges of net investments in foreign operations

The Company uses net investment hedges to mitigate the foreign exchange risk arising from the Group's net investments in foreign operations. Net investment hedges are accounted for similar to cash flow hedges, in that the effective portion of the gain or loss on the hedging instrument shall be recognised in other comprehensive income (in the foreign currency translation reserve – FCTR) while the ineffective portion shall be recognised in profit or loss. The cumulative gain or loss on the hedging instrument that has been accumulated in the FCTR shall be reclassified from equity to profit or loss as a reclassification adjustment on the disposal or partial disposal of the foreign operation.

Hedge effectiveness

Hedge effectiveness is determined at the inception of the hedge relationship, and through periodic prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and hedging instrument.

Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost, less the loss allowance. Due to the short-term nature of the receivables, the carrying amount is assumed to approximate their fair value. The balance of trade and other receivables are disclosed in Note 14.

Financial assets at fair value through other comprehensive income

Refer Note 19(d) for the accounting policy on financial assets at fair value through other comprehensive income.

Notes to the Consolidated Financial Statements cont.
30 June 2023

9. Financial assets and liabilities and fair value measurement continued

Financial assets and liabilities that are carried at fair value are measured by the following fair value measurement hierarchy:

Level 1: the fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period;

Level 2: the fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2; and

Level 3: if one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial asset/liability	Level	2023 $'000	2022 $'000
Financial assets measured at fair value through OCI			
Quoted equity instruments which are listed on the Australian Securities Exchange ("ASX")(i)	1	–	10,455
Derivative financial assets(ii)	2	–	5,526
Unquoted financial assets(iii)	3	25,354	26,441
Financial liabilities measured at fair value through profit or loss			
Other financial liabilities – current(iv)	3	(1,136)	–
Other financial liabilities – non-current(iv)	3	(8,991)	(1,153)

(i) During the year, the Group sold its investment in Plenti Group Ltd. The sale resulted in cash received of $7.0 million and the $2.2 million loss on disposal was recycled from the Financial Asset FVOCI reserve to retained earnings. Refer to Note 19(d) for more details.

(ii) The balance at 30 June 2022 represents forward foreign exchange contracts which were held for the purpose of hedging the Trader Interactive purchase. The forward exchange contracts were valued at the present value of future cash flows based on the forward exchange rates at the balance sheet date. There are no forward contracts outstanding as at 30 June 2023.

(iii) Investments in unquoted financial assets are measured at fair value through other comprehensive income and includes PromisePay Pte Ltd, mx51 Group Pty Ltd, Adfixus Pty Ltd and other equity investments, refer to Note 19(d). The fair value of the investments in PromisePay Pte Ltd and mx51 Group Pty Ltd have been calculated either with reference to the latest capital raise or based on an independent valuation performed during the year. The fair value of other equity investments is based on capital contributions and adjusted for independent valuation performed by the fund managers on a quarterly basis.

(iv) Other financial liabilities are mainly put option and contingent consideration liabilities which are based on the future earnings of an acquired subsidiary for a defined period and were valued at financial year end based on the forecast of earnings for the acquired subsidiary.

(a) Derivative assets and liabilities

During FY23, the Group held hedging instruments used to hedge the exposure to variability in cash flows attributable to highly probable forecast transactions. Specifically, the Group held forward foreign exchange contracts which matured and were closed out prior to 30 June 2023. These were entered to protect against foreign exchange fluctuations relating to the acquisition of the remaining 51% interest in Trader Interactive and the additional 40% interest in webmotors, which were completed in FY23. Refer to Note 20(a) and (b) for further details.

The Group also has a net investment hedge (NIH) in place using debt instruments, to protect against the variability in cash flows from its investment in Trader Interactive, which has a USD functional currency. Refer to Note 10 (a).

The Group previously held cross-currency interest rate swaps which were closed out in a prior period. During the year, $5.7 million (2022: $5.7 million) was recycled from the cash flow hedge reserve to the income statement as a finance cost with no amount remaining in reserves at 30 June 2023.

The following tables detail information regarding forward foreign exchange (FX) contracts and the cross-currency interest rate swaps designated in cash flow hedge or net investment hedge relationships at the end of the reporting period and their related hedged items. All derivative assets and liabilities were closed out as at 30 June 2023.

Movement in cash flow hedge reserve	**CCIRS $'000**	**Forward Exchange Contracts $'000**	**Total Cashflow Hedge Reserve $'000**
Balance at 1 July 2022	**(5,688)**	**3,868**	**(1,820)**
Add: Change in fair value of hedging instrument recognised in OCI	**-**	**84,658**	**84,658**
Less: Reclassified to purchase consideration for acquisitions	**-**	**(60,113)**	**(60,113)**
Less: Reclassified from OCI to profit or loss	**5,688**	**(3,016)**	**2,672**
Less: Deferred tax/current tax liability	**-**	**(25,397)**	**(25,397)**
Balance at 30 June 2023	**-**	**-**	**-**

Movement in cash flow hedge reserve	**CCIRS $'000**	**Forward Exchange Contracts $'000**	**Total Cashflow Hedge Reserve $'000**
Balance at 1 July 2021	(11,376)	23,560	12,184
Add: Change in fair value of hedging instrument recognised in OCI	-	26,339	26,339
Less: Reclassified to equity accounted investment	-	(36,101)	(36,101)
Less: Reclassified from OCI to profit or loss	5,688	(2,028)	3,660
Less: Deferred tax/current tax liability	-	(7,902)	(7,902)
Balance at 30 June 2022	(5,688)	3,868	(1,820)

10. Financial risk management

The Group's activities expose it to a variety of financial risks: foreign exchange risk, price risk, credit risk, interest rate risk and liquidity risk. The Group's overall risk management program focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses different methods to measure different types of risk to which it is exposed.

Risk management is the responsibility of the Executive General Manager of Tax, Treasury, Risk and Systems and the Chief Financial Officer (CFO) and follows approved policies of the Board of Directors. They identify, evaluate and hedge financial risks in close cooperation with the Group's operating leaders.

(a) Market risk

(i) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Brazilian Real (BRL), the South Korean Won (KRW), the Mexican Peso (MXP), the US Dollar (USD) and the Chilean Peso (CLP). Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

Risk management policy

Hedging contracts are sometimes used to manage foreign currency exchange risk. The Company has a treasury strategy and a treasury policy and will actively hedge any major known commitments using forward exchange contracts. Trading and dividend cash flows between associates, subsidiaries and the Group are not hedged unless the cash flows are significant and the amount and future payment date are certain.

Material arrangements in place at reporting date

carsales.com Ltd has an investment in Trader Interactive, which has a USD functional currency. As a result of the difference in functional currencies, the Group is exposed to foreign exchange risk upon translation of cash flows from USD to AUD. To protect against this risk, the Group has taken out USD denominated debt via the issuance of $US300.0 million in US private placement notes (refer to Note 7).

This has been designated as a NIH for accounting purposes. The hedge has been assessed as effective given there is a clear economic relationship as both the hedging instrument (USD debt) and hedged item (investment in Trader Interactive) are referenced to the same foreign exchange rate (AUD/USD), credit risk is not expected to dominate the value changes that result from the economic relationship and the hedge ratio is 1:1. The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income (in the foreign currency translation reserve – FCTR) while any ineffective portion is recognised in profit or loss. Ineffectiveness may arise due to differences in the fair value of the hedged item and the hedging instrument.

Prior to this, the Group had denominated a portion ($US365.0 million) of its syndicated debt facility in USD, which was also designated as a NIH for accounting purposes. This debt was settled upon the issue of the USPP notes in June 2023.

The Group also entered into and closed out forward foreign exchange contracts (FECs) to sell USD for AUD during June 2023. The FECs had a notional value of $US365.0 million and were held from 13 June 2023 until they matured and were settled on 27 June 2023. The FECs were also designated as a NIH for accounting purposes.

For details of movements in NIH taken to FCTR, please refer to Note 12. There was no hedge ineffectiveness for the NIH recognised in the profit or loss for the year ended 30 June 2023.

No other material hedging arrangements are in place at reporting date.

Material exposures and sensitivity

The analysis below reflects management's view of possible movements in relevant foreign currencies against the Australian dollar. The table summarises the range of possible outcomes that would affect the Group's net profit and equity as a result of foreign currency movements (excluding derivatives):

		2023 $'000 -5%	2022 $'000 -5%	2023 $'000 +5%	2022 $'000 +5%
Impact on profit:					
AUD to KRW	(+5% to -5%)	**1,230**	1,096	**(1,230)**	(1,096)
AUD to BRL	(+5% to -5%)	**498**	261	**(498)**	(261)
AUD to MXP	(+5% to -5%)	**(140)**	(123)	**140**	123
AUD to CLP	(+5% to -5%)	**65**	69	**(65)**	(69)
AUD to USD	(+5% to -5%)	**3,310**	417	**(3,310)**	(417)
Net Movement		**4,963**	1,720	**(4,963)**	(1,720)
Impact on equity:					
AUD to KRW	(+5% to -5%)	**22,889**	21,333	**(22,889)**	(21,333)
AUD to BRL	(+5% to -5%)	**7,134**	2,771	**(7,134)**	(2,771)
AUD to MXP	(+5% to -5%)	**(1,296)**	(1,048)	**1,296**	1,048
AUD to CLP	(+5% to -5%)	**285**	201	**(285)**	(201)
AUD to USD	(+5% to -5%)	**19,567**	40,814	**(19,567)**	(40,814)
Net Movement		**48,579**	64,071	**(48,579)**	(64,071)

Hedge Sensitivity

There are no active cash flow or fair value hedges at 30 June 2023.

(ii) Price risk

During the year, the Group sold its investment in Plenti Group Ltd (see Note 19(d)). As such, the Group is no longer exposed to significant equity securities price risk.

(b) Credit risk

Credit risk of the Group arises predominantly from outstanding receivables from customers and from its financing activities, including deposits with financial institutions.

Risk management policy

It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures, which may include an assessment of their financial position, past experience and industry reputation, depending on the amount of credit to be granted.

Receivables balances are monitored on an ongoing basis. The Group applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the payment profiles of sales over a period of 24 months before reporting date and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted by carsales.com Ltd.

Notes to the Consolidated Financial Statements cont.
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10. Financial risk management continued

Material arrangements in place at the reporting date

The net trade receivables balance at 30 June 2023 was $107.8 million (2022: $44.3 million). See below for the aging profile of net trade receivables.

		2023 $'000			2022 $'000		
	Note	Gross Receiv-ables*	Expected loss rate	Loss allowance**	Gross Receiv-ables*	Expected loss rate	Loss allowance**
Current		**84,259**	**0-0.5%**	**66**	35,163	0-0.5%	68
More than 30 days past due		**9,762**	**1%**	**58**	8,378	1%	58
More than 60 days past due		**5,889**	**2.5-5%**	**148**	798	2.5-5%	31
More than 90 days past due		**3,123**	**7.5-10%**	**72**	298	7.5-10%	38
More than 120 days past due		**3,896**	**50-80%**	**636**	427	50-80%	100
More than 180 days past due		**4,718**	**60-100%**	**2,749**	461	80-100%	950
Total	14	**111,647**		**3,729**	45,525		1,245

* Gross receivables include unapplied credits.

** Loss allowance is calculated on gross receivables balance excluding unapplied credits.

The loss allowance for trade receivables as at 30 June reconciles to the opening loss allowance as follows:

	2023 $'000	2022 $'000
Opening loss allowance as at 1 July	**1,245**	2,633
Increase in loss allowance recognised in profit or loss during the year	**1,219**	576
Allowance recognised on receivables acquired through business combinations	**1,378**	–
Receivables written off during the year as uncollectible	**(113)**	(1,964)
Closing loss allowance at 30 June	**3,729**	1,245

Trade receivables are written-off when there is no reasonable expectation of debt recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period greater than 180 days past due. Impairment losses on trade receivables are presented as net impairment losses within operating profit. Subsequent recoveries of amounts previously written-off are credited against the same line.

Material exposures and sensitivity

The Group's maximum exposures to credit risk at balance date in relation to each class of recognised financial assets is the carrying amount of those assets.

(c) Interest rate risk

The consolidated entity's exposure to the cash flow risk of changes in market interest rates relates primarily to cash at bank and long-term borrowings. Cash and cash equivalents draw interest at variable interest rates.

Risk management policy

carsales.com Ltd has a Board-approved treasury policy and treasury strategy for the management of interest rate risk. The Board keeps the decision to actively hedge interest rate risk under regular review. Any derivative contracts will be entered into solely for interest rate risk and currency risk management and no speculative hedging is permitted under the policy.

Material arrangements in place at the reporting date

The Group has $718.4 million (2022: $649.5 million) variable rate borrowings at a weighted average interest rate of 6.58% (2022: 1.8%). The borrowings are contractually repriced every three months and to that extent are also exposed to the risk of future changes in market interest rates.

Material exposures and sensitivity

The following table summarises the sensitivity of the Group's financial assets and financial liabilities to interest rate risk.

			Interest rate risk			
			-100 bps		+100 bps	
At 30 June 2023	**Note**	**Carrying amount $'000**	**Profit $'000**	**Other equity $'000**	**Profit $'000**	**Other equity $'000**
Financial assets						
Cash and cash equivalents		**198,709**	**(2,960)**	**(2,960)**	**2,960**	**2,960**
Financial liabilities						
Variable rate borrowings	7	**(718,364)**	**9,866**	**9,866**	**(9,866)**	**(9,866)**
Total increase/(decrease)			**6,906**	**6,906**	**(6,906)**	**(6,906)**
At 30 June 2022						
Financial assets						
Cash and cash equivalents		117,452	(1,261)	(1,261)	1,261	1,261
Financial liabilities						
Variable rate borrowings	7	(649,532)	5,973	5,973	(5,973)	(5,973)
Total increase/(decrease)			4,712	4,712	(4,712)	(4,712)

10. Financial risk management continued

(d) Liquidity risk

Prudent liquidity risk management entails maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions.

Risk management policy

The Group manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities. The Group maintains borrowing facilities to enable the Group to borrow funds when necessary.

Material arrangements in place at reporting date

	Note	2023 $'000	2022 $'000
Borrowings	7	**1,172,097**	649,739
Less: cash and cash equivalents	8	**(198,709)**	(117,452)
Less: term deposits	14	**(856)**	(14,593)
Net debt		**972,532**	517,694

Material exposures – Contractual maturities of financial liabilities

The following table sets out the Group's exposure to liquidity risk. The amounts disclosed in the table are the contractual undiscounted cash flows and include expected future interest payments.

At 30 June 2023	0–12 Months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 Years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Non-derivatives						
Non-interest bearing payables	**91,313**	**108**	**–**	**–**	**91,421**	**91,421**
Variable rate borrowings	**26,800**	**8,887**	**729,693**	**–**	**765,380**	**718,364**
Fixed rate borrowings	**382**	**607**	**–**	**479,567**	**480,556**	**453,733**
Lease liabilities	**14,426**	**18,655**	**18,513**	**31,986**	**83,580**	**70,472**
Other financial liabilities	**1,136**	**5,982**	**4,686**	**–**	**11,804**	**10,127**
Total non-derivatives	**134,057**	**34,239**	**752,892**	**511,553**	**1,432,741**	**1,344,117**

At 30 June 2022	0–12 Months $'000	Between 1 and 2 years $'000	Between 2 and 5 years $'000	Over 5 Years $'000	Total contractual cash flows $'000	Carrying amount liabilities $'000
Non-derivatives						
Non-interest bearing payables	48,758	1,241	–	–	49,999	49,999
Variable rate borrowings	–	213,400	449,233	–	662,633	649,532
Fixed rate borrowings	119	98	–	–	217	207
Lease liabilities	9,379	8,655	20,820	34,576	73,430	64,431
Other financial liabilities	–	1,153	–	–	1,153	1,153
Total non-derivatives	58,256	224,547	470,053	34,576	787,432	765,322

Net fair value of financial assets and liabilities

The net fair value of cash and cash equivalents, non-interest bearing monetary financial assets and non-interest bearing financial liabilities of the consolidated entity approximates their carrying amounts. There are no off-balance sheet financial instruments in place.

EQUITY

This section provides information about the capital management practices of the business.

11. Contributed equity

Accounting Policy

Ordinary shares are classified as equity.

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of, and amounts paid on, the shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy is entitled to one vote, and upon a poll, each share is entitled to one vote.

Ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

Incremental costs directly attributable to the issue of new shares, options or performance rights are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options or performance rights for the acquisition of a business are not included in the cost of the acquisition as part of the purchase consideration.

Movement in ordinary fully paid shares during the period	**Number of shares**	**$'000**
Balance at 1 July 2022	**282,845,469**	**769,959**
Issue of shares and exercise of options and performance rights under the carsales.com Ltd Employee Option and Share Plan	**275,202**	**1,295**
Dividend Reinvestment Plan (DRP)	**522,457**	**10,992**
Capital raised	**93,090,419**	**1,715,485**
Less: transaction costs arising on share issues, including via DRP	**–**	**(45,423)**
Deferred tax recognised directly in equity	**–**	**(506)**
Balance at 30 June 2023	**376,733,547**	**2,451,802**
Balance at 1 July 2021	281,966,582	755,357
Exercise of options and performance rights under the carsales.com Ltd Employee Option Plan	450,847	6,120
Dividend Reinvestment Plan (DRP)	428,040	9,918
Capital raised	–	–
Less: transaction costs arising on share issues, including via DRP	–	(1,190)
Deferred tax recognised directly in equity	–	(246)
Balance at 30 June 2022	282,845,469	769,959

Information relating to the carsales.com Ltd Employee Option Plan, including details of options and performance rights issued, exercised and lapsed during the financial year and options and performance rights outstanding at the end of the financial year, is set out in Note 26.

12. Reserves

Nature and purpose of reserves

The **share-based payments** reserve is used to recognise the movement in the fair value of options and performance rights issued and vested.

Exchange differences arising on translation of the foreign operations are taken to the **foreign currency translation reserve**, as described in Note 27 and accumulated within a separate reserve within equity. The reserve is recognised in profit or loss when the net investment is disposed of.

The Group holds put options over some of its non-controlling interests. The amount that may become payable under the option on exercise is initially recognised at the present value of the redemption amount within other financial liabilities with a corresponding charge directly to equity in the **NCI acquisition reserve**. The liability is subsequently accreted through finance charges up to the redemption amount that is payable at the date at which the option first becomes exercisable.

The Group also had a **cash flow hedge reserve**. Refer to Note 9 and 10 for more details on current hedging arrangements.

	Share-based payment $'000	Foreign currency translation $'000	Post-employment benefits $'000	Financial Asset FVOCI $'000	NCI acquisition $'000	Cash flow hedge $'000	Other Reserves $'000	Total Reserves $'000
Balance at 1 July 2022	39,157	5,060	(1,044)	2,732	(40,929)	(1,820)	(5,021)	(1,865)
Items that may be classified to profit or loss								
Exchange differences on translation of foreign operations	–	14,625	–	–	–	–	–	14,625
Reclassification of exchange differences on step acquisition of associates	–	(83,110)	–	–	–	–	–	(83,110)
Remeasurement of post-employment benefit obligations	–	–	239	–	–	–	–	239
Movement in cash flow hedge (net of tax)	–	–	–	–	–	1,820	–	1,820
Movement in net investment hedge (net of tax)	–	(10,433)	–	–	–	–	–	(10,433)
Items that will not be reclassified to profit or loss								
Changes in financial assets at fair value (net of tax) through other comprehensive income	–	–	–	(6,257)	–	–	–	(6,257)
Total comprehensive income for the year	–	(78,918)	239	(6,257)	–	1,820	–	(83,116)
Transfer of gain on disposal of equity investment at fair value through other comprehensive income to retained earnings	–	–	–	2,196	–	–	–	2,196
Transactions with owners in their capacity as owners:								
Increase in share-based payment reserve inclusive of tax	4,874	–	–	–	–	–	–	4,874
Transaction with non-controlling interests	–	–	–	–	(5,619)	–	–	(5,619)
Balance at 30 June 2023	44,031	(73,858)	(805)	(1,329)	(46,548)	–	(5,021)	(83,530)

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12. Reserves continued

	Share-based payment $'000	Foreign currency translation $'000	Post-employment benefits $'000	Financial Asset FVOCI $'000	NCI acquisition $'000	Cash flow hedge $'000	Other Reserves $'000	Total Reserves $'000
Balance at 1 July 2021	33,467	(25,045)	(125)	3,786	(40,686)	12,184	(5,021)	(21,440)
Items that may be classified to profit or loss								
Exchange differences on translation of foreign operations	–	30,105	–	–	–	–	–	30,105
Remeasurement of post-employment benefit obligations	–	–	(919)	–	–	–	–	(919)
Movement in cash flow hedge (net of tax)	–	–	–	–	–	(14,004)	–	(14,004)
Items that will not be reclassified to profit or loss								
Changes in financial assets at fair value (net of tax) through other comprehensive income	–	–	–	12,372	–	–	–	12,372
Total comprehensive income for the year	–	30,105	(919)	12,372	–	(14,004)	–	27,554
Transfer of gain on disposal of equity investment at fair value through other comprehensive income to retained earnings	–	–	–	(13,426)	–	–	–	(13,426)
Transactions with owners in their capacity as owners:								
Increase in share-based payment reserve inclusive of tax	5,690	–	–	–	–	–	–	5,690
Transaction with non-controlling interests	–	–	–	–	(243)	–	–	(243)
Balance at 30 June 2022	39,157	5,060	(1,044)	2,732	(40,929)	(1,820)	(5,021)	(1,865)

13. Dividends

Accounting Policy

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the financial year but not distributed at balance date.

	2023 $'000	2022 $'000
The dividends were proposed/payable as follows:		
Interim dividend paid for the half year ended 31 December – fully franked at the tax rate of 30%	**100,132**	72,068
Final dividend proposed/paid for the year ended 30 June – 50% franked (2022: fully franked) at the tax rate of 30%	**122,508**	86,019
	222,640	158,087
Dividends paid in cash or satisfied by the issue of shares under the dividend reinvestment plan		
Paid in cash	**93,899**	67,764
Satisfied by issue of shares	**6,233**	4,304
Proposed but not yet paid or issued	**122,508**	86,019
	222,640	158,087

	Cents per share	Cents per share
Interim dividend paid for the half year 31 December	**28.5**	25.5
Final dividend declared/paid for the year ended 30 June	**32.5**	24.5

The Group has $20.6 million of franking credits as at 30 June 2023 (2022: $15.7 million).

The impact on the franking account of the dividend recommended by the Directors since year end, but not recognised as a liability at year end is $26.3 million.

Dividend Reinvestment Plan (DRP)

The carsales.com Ltd DRP will be maintained for the 2023 final dividend, offering shareholders the opportunity to acquire further ordinary shares in carsales. The DRP will not be offered at a discount and the price will be calculated using the daily volume weighted average sale price of carsales.com Ltd shares sold in the ordinary course of trading on the ASX during the five days after, but not including, the Record Date 18 September 2023. The last date for shareholders to nominate their participation in the DRP is 5:00pm (AEST) on 19 September 2023. Shares issued under the DRP will rank equally with carsales.com Ltd existing fully paid ordinary shares. Shareholders eligible to participate in the DRP are currently limited to those whose registered address on the carsales.com Ltd share registry is in Australia or New Zealand.

Eligible shareholders who wish to participate in the DRP can make their elections online at www.computershare.com.au/easyupdate/CAR or complete the DRP form, which will be sent to shareholders for completion and submission to Computershare Investor Services Pty Ltd (carsales share registry). Further information can be obtained from Computershare on 1300 850 505.

OTHER ASSETS AND LIABILITIES

This section provides information on other balance sheet assets and liabilities that do not materially affect performance or give rise to material financial risk.

14. Trade and other receivables

Accounting Policy

(a) Classification of trade receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 to 45 days following the provision of advertising, data services and sale of goods and therefore are all classified as current.

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost, less the loss allowance. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 10.

(b) Accrued income

Services provided in the current reporting period are recognised on an accrual basis. Settlement is generally within 30 days.

(c) Other receivables

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest is not charged and collateral is not normally obtained.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

Other non-current receivables include deposits paid in relation to long-term property leases by ENCARSALES.COM Ltd.

(d) Fair value and credit risk

Due to the short-term nature of these receivables, their carrying amount is assumed to approximate their fair value. Information about the impairment of trade receivables and the Group's exposure to credit risk, foreign currency risk and interest rate risk can be found in Note 10.

	2023 $'000	2022 $'000
Current assets		
Trade receivables	111,647	45,525
Loss allowance (see Note 10)	(3,729)	(1,245)
Trade receivables	107,918	44,280
Accrued income	877	955
Other receivables	10,338	5,585
Term deposits*	856	14,593
Prepayments	16,640	9,328
Trade and other receivables	136,629	74,741
Lease deposits	14,451	12,125
Other	6,829	1,843
Non-current assets – Other receivables	21,280	13,968

* Term deposits are short term in nature with the average period being 12 months.

15. Property, plant and equipment

Accounting Policy

Property, plant and equipment is stated at historical cost less accumulated depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance expenses are charged to the profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the consolidated statement of comprehensive income.

Depreciation on assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

- Motor vehicles 3 – 5 years
- Plant and equipment 3 – 10 years
- Leasehold improvements 3 – 10 years or minimum lease period if shorter

15. Property, plant and equipment continued

	Plant and equipment $'000	Motor vehicles $'000	Leasehold improvements $'000	Total $'000
Year ended 30 June 2023				
Opening net book amount	**3,409**	**745**	**10,500**	**14,654**
Additions	**2,710**	**1,408**	**4,822**	**8,940**
Acquired through business combination	**3,137**	**322**	**806**	**4,265**
Disposals	**(66)**	**(51)**	**–**	**(117)**
Depreciation charge	**(2,092)**	**(398)**	**(4,041)**	**(6,531)**
Exchange differences	**17**	**4**	**81**	**102**
Closing net book amount	**7,115**	**2,030**	**12,168**	**21,313**
At 30 June 2023				
Cost	**25,084**	**3,443**	**35,820**	**64,347**
Accumulated depreciation	**(17,969)**	**(1,413)**	**(23,652)**	**(43,034)**
Net book amount	**7,115**	**2,030**	**12,168**	**21,313**
Year ended 30 June 2022				
Opening net book amount	3,401	528	8,886	12,815
Additions	1,847	865	5,170	7,882
Acquired through business combination	236	31	24	291
Disposals	(29)	(188)	(145)	(362)
Depreciation charge	(2,012)	(480)	(3,252)	(5,744)
Exchange differences	(34)	(11)	(183)	(228)
Closing net book amount	3,409	745	10,500	14,654
At 30 June 2022				
Cost	15,434	2,081	27,878	45,393
Accumulated depreciation	(12,025)	(1,336)	(17,378)	(30,739)
Net book amount	3,409	745	10,500	14,654

16. Leases

The Group leases properties (commercial office premises and retail properties), motor vehicles and equipment. The Group's leases are typically for fixed periods between two to fifteen years and may include extension options. Lease terms are negotiated on an individual lease basis and may contain a wide range of different terms and conditions. None of the Group's lease agreements impose any covenants, however leased assets may not be used as security for borrowing purposes.

Payments made under operating leases, less any incentives received from the lessor, were previously charged to profit or loss on a straight-line basis over the period of the lease pursuant to the requirements of AASB 117. In applying AASB 16, a right-of-use asset representing the right to use the underlying asset and a corresponding lease liability representing the obligation to make lease payments are recognised at the date at which the leased asset is available for use by the Group.

Right-of-use assets are measured at cost comprising the following:

- the initial measurement of the lease liability;
- any lease payments made in advance of the lease commencement date less any incentives received;
- any initial direct costs; and
- an estimate of any costs to dismantle and remove the asset at the end of the lease.

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicators exist.

At the lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease where that rate is readily available or using the Group's incremental borrowing rate at the time the lease was entered into.

Lease payments included in the measurement of the lease liability consist:

- fixed payments less any incentives receivable;
- variable payments based on an index or rate;
- amounts expected to be payable under a residual value guarantee; and
- payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest incurred. The liability is remeasured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is remeasured, a corresponding adjustment is made to the value of the right-of-use asset.

The Group recognises the lease payments associated with short-term and low-value leases as an expense on a straight-line basis over the lease term.

Deferred tax accounting

Lease payments are generally deductible whilst interest and depreciation expenses on these leases remain non-deductible. As a result, a net deferred tax asset has been recognised in relation to the temporary differences arising from the right-of-use assets and lease liabilities.

Depreciation on assets is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

• Properties	Expected lease period
• Motor vehicles	Contractual lease period
• Leased plant and equipment	Contractual lease period

16. Leases continued

Key Assumption/Accounting Estimates

Extension and termination options are included in a number of the Group's property leases. The extension and termination options are exercisable only by the Group and not by the respective lessor. In determining the lease term, which forms part of the initial measurement of the right-of-use asset and lease liability, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

The following factors are normally the most relevant when assessing the extension options on the property lease:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease duration and the costs and business disruption required to replace the leased properties.

Most extension options in properties have been included in the lease liability because the Group could not replace the assets without significant cost or business disruption.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or change in circumstances occurs, which affects this assessment and that is within the control of the lessee Group.

(a) Right-of-use assets:

	Right-of-use Properties $'000	Right-of-use Motor vehicle and Equipment $'000	Total $'000
Year ended 30 June 2023			
Opening net book amount	56,091	384	56,475
Additions and acquired through business combination	10,023	1,611	11,634
Terminations	(340)	–	(340)
Remeasurement of lease modification	2,250	–	2,250
Depreciation charge	(10,521)	(361)	(10,882)
Exchange differences	(488)	(66)	(554)
Closing net book amount	57,015	1,568	58,583
At 30 June 2023			
Cost	106,980	4,582	111,562
Accumulated depreciation	(49,965)	(3,014)	(52,979)
Net book amount	57,015	1,568	58,583

	Right-of-use Properties $'000	Right-of-use Motor vehicle and Equipment $'000	Total $'000
Year ended 30 June 2022			
Opening net book amount	55,080	534	55,614
Additions	8,017	287	8,304
Remeasurement on lease modification	2,190	12	2,202
Depreciation charge	(8,838)	(451)	(9,289)
Exchange differences	(358)	2	(356)
Closing net book amount	56,091	384	56,475
At 30 June 2022			
Cost	96,541	2,985	99,526
Accumulated depreciation	(40,450)	(2,601)	(43,051)
Net book amount	56,091	384	56,475

(b) Lease Liabilities:

	2023 $'000	2022 $'000
Year ended 30 June		
Opening lease liabilities	**64,431**	63,352
Additions and assumed through business combination	**15,298**	7,617
Terminations	**(316)**	–
Remeasurement of lease modification	**1,989**	1,652
Lease payments	**(12,196)**	(9,399)
Interest charge	**2,059**	1,563
Exchange differences	**(793)**	(354)
Closing lease liabilities	**70,472**	64,431
At 30 June		
Current lease liabilities	**11,173**	8,061
Non-current lease liabilities	**59,299**	56,370
Total lease liabilities	**70,472**	64,431

Notes to the Consolidated Financial Statements cont.

30 June 2023

17. Intangible assets

Accounting Policy

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised. Instead, goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold. Goodwill is allocated to cash generating units for the purpose of impairment testing.

Computer software

Software includes capitalised development costs being an internally generated intangible asset.

Capitalised development costs are recorded as an intangible asset and amortised from the point at which the asset is ready for use on a straight-line basis over four to five years. Internally capitalised labour costs are treated as an investing cash outflow in the consolidated statement of cash flows.

Research expenditure is recognised as an expense as incurred. Costs incurred on development projects (relating to the design and testing of new or improved services) are recognised as intangible assets when it is probable that the project will, after considering its commercial and technical feasibility, be completed and generate future economic benefits and its costs can be measured reliably. The expenditure capitalised comprises all directly attributable costs, including costs of materials, services, direct labour and an appropriate proportion of overheads. Other development expenditures that do not meet these criteria are recognised as an expense as incurred.

Development costs previously recognised as an expense are not recognised as an asset in a subsequent period.

Brands, trademarks and customer relationships

Acquired brands and trademarks represent the value of brands in acquired subsidiaries and businesses that are separately fair valued at the date of acquisition from the remaining goodwill. Acquired brands are amortised over a period of between 10 and 15 years.

Acquired customer relationships have a finite useful life and are carried at fair value at acquisition date less accumulated amortisation and impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the asset over its estimated useful life, which is between 7–20 years.

The following intangible assets have finite lives and are subject to amortisation on a straight-line basis. The useful lives for these assets are as follows:

- Computer software 4-5 years
- Brands and trademarks 10-15 years
- Customer relationships 7–20 years
- Other (domain names and database) 5–10 years

	Goodwill* $'000	Computer software** $'000	Brands, trademarks and customer relationships $'000	Other intangible assets $'000	Total $'000
Year ended 30 June 2023					
Opening net book amount	483,934	66,750	52,468	168	603,320
Additions	–	64,074	13,765	225	78,064
Acquired through business combination	2,716,044	29,820	938,291	51	3,684,206
Transfer/measurement period adjustments	–	–	–	–	–
Disposals	–	–	–	–	–
Amortisation charge	–	(33,926)	(55,683)	–	(89,609)
Impairment charge	(19,240)	(7,033)	(1,172)	–	(27,445)
Exchange differences	(46,710)	1,236	(22,077)	–	(67,551)
Closing net book amount	3,134,028	120,921	925,592	444	4,180,985
At 30 June 2023					
Cost	3,153,789	282,778	1,027,008	1,858	4,465,433
Accumulated amortisation and impairment	(19,761)	(161,857)	(101,416)	(1,414)	(284,448)
Net book amount	3,134,028	120,921	925,592	444	4,180,985

* For impairment of goodwill, refer to Note 17(a)

** During the period, a strategic decision was made to discontinue the operations of Placie, carsales' digital mobility platform. The assets associated with this platform largely consist of software assets which have been written down to nil and an impairment loss has been recognised in the consolidated statement of comprehensive income.

	Goodwill $'000	Computer software $'000	Brands, trademarks and customer relationships $'000	Other intangible Assets $'000	Total $'000
Year ended 30 June 2022					
Opening net book amount	480,008	49,410	66,390	1,297	597,105
Additions	–	40,385	6	–	40,391
Acquired through business combination	19,240	1,105	1,182	2	21,529
Transfer/measurement period adjustments	3,868	(498)	(3,909)	(1,122)	(1,661)
Disposals	–	(4)	–	–	(4)
Amortisation charge	–	(23,272)	(8,437)	–	(31,709)
Exchange differences	(19,182)	(376)	(2,764)	(9)	(22,331)
Closing net book amount	483,934	66,750	52,468	168	603,320
At 30 June 2022					
Cost	484,454	159,917	91,726	1,358	737,455
Accumulated amortisation and impairment	(520)	(93,167)	(39,258)	(1,190)	(134,135)
Net book amount	483,934	66,750	52,468	168	603,320

17. Intangible assets continued

(a) Impairment testing

Key Assumption/Accounting Estimates

Goodwill and intangible assets that have an indefinite useful life are allocated to a cash-generating unit ('CGU') or a group of CGUs and are tested annually for impairment. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, which includes carsales' interests in associates. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Both value in use and fair value less cost to sell valuation methods have been employed in determining the recoverable amounts of CGUs. Both methods are predicated on cash flow projections which necessitates the adoption of assumptions and estimates. The method adopted in estimating the fair value is considered to be level 3 in the fair value hierarchy (refer to Note 9 for explanation of the valuation hierarchy).

The key assumptions and estimates used in management's calculations primarily relate to:

(a) Five or 10-year cash flow forecasts sourced from internal budgets and long-term forecasts

(b) terminal value growth rates applied to the period beyond the five to 10-year cash flow forecasts; and

(c) post-tax discount rates, used to discount the cash flows to present value.

The cash flow projections have been:

(d) derived from management forecasts based on next year's board approved budgeted result, with the remaining years based on management forecasts; and

(e) compiled using a combination of past experience, current performance and market position as well as structural changes and economic factors which have been derived based on external data and internal analysis.

Each of these assumptions and estimates are based on a 'best estimate' at the time of performing the valuation. However, increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amount of CGUs to fall below their carrying amounts, resulting in an impairment loss being recognised.

Cash generating units

Goodwill is allocated to the Group's cash generating units (CGUs) which are then tested annually to determine whether they have suffered any impairment. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

A segment and CGU-level summary of the goodwill allocation is presented below.

	2023 $'000	2022 $'000
Australia – Online Advertising Services Segment	**111,008**	86,421
Australia – Data, Research and Services Segment	**15,941**	15,941
Tyres CGU (Australia – carsales investments)	**–**	19,240
Redbook Inspect CGU (Australia – carsales investments)	**818**	818
North America	**2,101,499**	–
Brazil	**527,128**	–
LATAM*	**21,529**	18,026
Latin America Segment	**548,657**	18,026
South Korea	**355,705**	343,089
RedBook International	**400**	400
Asia Segment	**356,105**	343,489
	3,134,028	483,935

* Due to an internal restructure and a change in the way that goodwill is monitored for internal management purposes effective 1 July 2022, the Group has aggregated the Chile and Mexico CGUs to form a new CGU called "LATAM". Any goodwill which was previously allocated to the Chile and Mexico CGUs has been reallocated to the LATAM CGU in FY23. The prior year comparative has also been restated to reflect this.

Key assumptions

As well as management cash flow projections (including revenue growth and margin assumptions), other key assumptions for each significant CGU are detailed as follows:

			Terminal growth rate		Post-tax discount rate	
CGU	**Valuation method**	**Years of cash flow projection**	**2023**	**2022**	**2023**	**2022**
Australia – Online Advertising Services	Value in use	5	**2.5%**	2.3%	**8.3%**	8.8%
Australia – Data, Research and Services	Value in use	5	**2.5%**	2.3%	**8.3%**	8.8%
Tyres CGU (Australia – carsales investments)	Value in use	5	**2.3%**	2.3%	**9.8%**	10.7%
Brazil	Fair value less costs to sell*	n/a	**n/a**	–	**n/a**	–
North America	Fair value less costs to sell	10	**2.5%**	–	**9.0%**	–
LATAM	Value in use	5	**2.9%**	2.7%	**11.6%**	11.3%
South Korea	Fair value less costs to sell	10	**2.3%**	2.0%	**10.0%**	10.7%

* Given the recent nature of the acquisition of the additional 40% stake in webmotors S.A in Brazil on 28 April 2023, the recoverable amount for the Brazil CGU has been based on fair value less costs to sell supported with reference to the transaction price.

Tyres CGU impairment

During the year, the Group recognised a non-cash impairment charge against the carrying value of the Tyres CGU. As at 30 June 2023, the carrying value of the Tyres CGU was compared with the value in use determined via a discounted cash flow model. The carrying value exceeded its value in use by $22.2 million and an impairment loss of this amount has been recognised in the consolidated statement of comprehensive income. The carrying value of the remaining goodwill in the Tyres CGU post impairment is nil. The current economic environment has resulted in the Tyres business experiencing softer demand for its products, as well as higher freight and warehousing costs, which has adversely affected the performance and outlook for this CGU.

The key assumptions used in determining the Tyres CGU impairment charge are outlined above.

Impact of reasonable possible changes in key assumptions

The remaining 51% of the Trader Interactive (North America CGU) business was acquired on 30 September 2022 and the Group has only owned 100% of this business for 9 months at balance date. As such the North America CGU has minimal headroom at 30 June 2023. The North America CGU impairment model is sensitive to changes in the compound annual revenue growth rate assumption across the 10 year cash flow projection period. A moderate reduction to the forecast compound annual revenue growth rate across the projection period would, with all other assumptions remaining unchanged, reduce the headroom to nil.

The Directors and management have considered and assessed reasonably possible changes for the key assumptions and have not identified any instances that could cause the carrying amount of the other CGUs to exceed their recoverable amount.

18. Payables and provisions

Accounting Policy

Trade and other payables

These amounts include liabilities for goods and services provided to the Group prior to the end of financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

The Group recognises a liability in accrued expenses and an expense for bonuses based on a formula that takes into consideration the profit attributable to the Company's shareholders after certain adjustments as well as other metrics set out in the Remuneration Report. The Company recognises a liability where contractually obliged or where there is a past practice that has created a constructive obligation.

Employee benefits provisions

Liabilities for wages and salaries, including non-monetary benefits and annual leave expected to be settled within 12 months after the end of the period in which the employees render the related service. They are recognised in respect of employees' service up to the end of the reporting period and are measured at the amount expected to be paid when the liabilities are settled. The liability for annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables.

The liability for long service leave and annual leave that is not expected to be settled within 12 months after the end of the period in which the employees render the related services is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and period of service.

Expected future payments are discounted using market yields at the end of the reporting period on high-quality corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Trade and other payables	2023 $'000	2022 $'000
Trade payables	23,763	10,986
Accrued expenses	40,651	34,010
Other payables	26,899	3,762
Total trade and other payables	91,313	48,758
Provisions		
Employee benefits – current	12,764	9,879
Employee benefits – non-current	1,257	1,269
Other provisions – current*	14,812	1,117
Other provisions – non-current	4,446	3,388
Total provisions	33,279	15,653

* Other provisions includes estimated costs associated with the planned closure of the Mexican business, legal costs and other. The costs associated with the planned closure of the Mexican business are included in the impairment loss and business closure expenses in the Consolidated Statement of Comprehensive Income.

Contingent liabilities

The Group and the parent entity from time to time may incur obligations arising from litigation or other contracts entered into in the normal course of business. Neither the Group nor the parent entity have any material contingent liabilities where the probability of outflow in any settlement is greater than remote as at 30 June 2023 or 30 June 2022.

Other commitments

The Group has other contractual commitments of $2.5 million at 30 June 2023 (2022: $3.1 million).

GROUP STRUCTURE

This section explains aspects of the group structure, such as our portfolio of associate accounted investments and acquisitions and how these have affected the financial position and performance of the Group.

19. Interests in other entities

(a) Material subsidiaries

(i) Subsidiaries

Subsidiaries are all entities over which the Group has the power to govern the financial and operating policies, generally accompanying a shareholding of more than half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. The purchase method of accounting is used to account for the acquisition of subsidiaries by the Company. Subsidiaries disposed of are de-consolidated from the date that control ceases.

Intercompany transactions, balances and unrealised gains on transactions between companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Company.

Non-controlling interests in the results and equity of subsidiaries are presented separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of financial position respectively.

(ii) Employee Share Trust

The Group has formed a trust to administer the Group's employee share scheme. This trust is consolidated, as the substance of the relationship is that the trust is controlled by the Group.

The Group's principal subsidiaries at 30 June 2023 are set out on the next page. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

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19. Interests in other entities continued

Name of entity	Place of business/ country of incorporation	Ownership interest held by the Group* 2023 %	Ownership interest held by the Group* 2022 %	Ownership interest held by non-controlling interests 2023 %	Ownership interest held by non-controlling interests 2022 %	Principal activities	Operating Segment
Webpointclassifieds Pty Ltd	Australia	**100.0**	100.0	**–**	–	(1)	(i)
Equipment Research Group Pty Ltd	Australia	**100.0**	100.0	**–**	–	(2)	(ii)
Discount Vehicles Australia Pty Ltd	Australia	**100.0**	100.0	**–**	–	(1)	(i)
Automotive Data Services Pty Ltd	Australia	**100.0**	100.0	**–**	–	(2)	(ii)
Auto Information Limited	New Zealand	**100.0**	100.0	**–**	–	(2)	(vi)
RedBook Automotive Services (M) Sdn Bhd	Malaysia	**100.0**	100.0	**–**	–	(2)	(vi)
RedBook Automotive Data Services (Beijing) Limited	China	**100.0**	100.0	**–**	–	(2)	(vi)
Automotive Data Services (Thailand) Company Limited	Thailand	**100.0**	100.0	**–**	–	(2)	(vi)
tyresales Pty Ltd	Australia	**100.0**	100.0	**–**	–	(3)	(iii)
Auto Exchange Holdings Pty Ltd	Australia	**100.0**	100.0	**–**	–	(4)	(i)
Automotive Exchange Pty Ltd	Australia	**100.0**	100.0	**–**	–	(1)	(i)
carsales.com Investments Pty Ltd	Australia	**100.0**	100.0	**–**	–	(4)	(v)
carsales Holdings Pty Ltd	Australia	**100.0**	100.0	**–**	–	(4)	(vi)
carsales.com Ltd Employee Share Trust	Australia	**100.0**	100.0	**–**	–	(5)	n/a
carsales North America Holdings Pty Ltd (formerly "carsales Finance Pty Ltd")	Australia	**100.0**	100.0	**–**	–	(4)	(iv)
RedBook Inspect Pty Ltd	Australia	**92.0**	80.0	**8.0**	20.0	(6)	(iii)
Programmatic Solutions Pty Ltd	Australia	**100.0**	100.0	**–**	–	(1)	(i)
carsales Treasury Pty Ltd	Australia	**100.0**	-	**–**	–	(4)	n/a
carsales Foundation	Australia	**100.0**	100.0	**–**	–	(7)	n/a
carsales Latam Pty Ltd	Australia	**100.0**	100.0	**–**	–	(4)	(v)
carsales Mexico SAPI de CV	Mexico	**100.0**	100.0	**–**	–	(1)	(v)
Promotora de Servicio y Ventas Especializadas, S. de R.L. de C.V.	Mexico	**100.0**	100.0	**–**	–	(1)	(v)
carsales Chile SpA	Chile	**100.0**	100.0	**–**	–	(4)	(v)
Chileautos SpA	Chile	**100.0**	100.0	**–**	–	(1)	(v)
carsales Foundation Pty Ltd	Australia	**100.0**	100.0	**–**	–	(7)	n/a
carsales Argentina Pty Ltd	Australia	**100.0**	100.0	**–**	–	(4)	(v)
Demotores Holdings LLC	United States of America	**100.0**	100.0	**–**	–	(4)	(v)
Demotores Chile SpA	Chile	**100.0**	100.0	**–**	–	(1)	(v)
Demotores S.A.	Argentina	**100.0**	100.0	**–**	–	(1)	(v)
Demotores Colombia S.A.S	Colombia	**100.0**	100.0	**–**	–	(1)	(v)
ENCARSALES.COM, Ltd	South Korea	**99.2**	99.2	**0.8**	0.8	(1)	(vi)
AS1 Holdings Pty Ltd	Australia	**100.0**	100.0	**–**	–	(4)	(i)
Appraisal Solutions Pty Ltd	Australia	**100.0**	100.0	**–**	–	(2)	(ii)
carsales ESI Pty Ltd	Australia	**100.0**	100.0	**–**	–	(1)	(iii)
CS Motion Technologies Pty Ltd	Australia	**100.0**	97.3	**–**	2.7	(1)	(iii)
CS Motion Development Pty Ltd	Australia	**100.0**	100.0	**–**	–	(1)	(iii)
CS Motion Australia Pty Ltd	Australia	**100.0**	100.0	**–**	–	(1)	(iii)
Tyreconnect Pty Ltd	Australia	**100.0**	100.0	**–**	–	(3)	(iii)
Transport Ventures Pty Ltd	Australia	**100.0**	100.0	**–**	–	(4)	(iii)
carsales Tyre Holding Pty Ltd	Australia	**100.0**	100.0	**–**	–	(4)	(iii)
carsales Holding US, LLC (USA)	United States of America	**100.0**	100.0	**–**	–	(4)	(iv)

Trader Interactive, LLC	United States of America	**100.0**	49.0	**–**	–	(4)	(iv)
SSI, LLC	United States of America	**100.0**	49.0	**–**	–	(4)	(iv)
Trader Canada Holdings, Inc.	Canada	**100.0**	49.0	**–**	–	(4)	(iv)
Trader Interactive Holdings Canada, ULC	Canada	**100.0**	49.0	**–**	–	(4)	(iv)
NatCo Trading Corporation	United States of America	**100.0**	49.0	**–**	–	(4)	(iv)
Webmotors S.A.	Brazil	**70.0**	30.0	**30.0**	n/a	(1)	(v)
LOOP Gestao de Patios S.A.	Brazil	**51.0****	–	**49.0**	n/a	(8)	(v)
Car10 Tecnologia e Informacao S.A.	Brazil	**66.7****	–	**33.3**	n/a	(8)	(v)

* The proportion of ownership interest is equal to the proportion of voting power held.

** The proportion of ownership interest is equal to the proportion of voting power held by webmotors (a subsidiary of the Group). The Group's indirect ownership in Car10 and LOOP is 46.7% and 35.7% respectively.

Principal activities

(1) Classified advertising
(2) Data and research
(3) Online retail
(4) Holding company
(5) Share trust company
(6) Vehicle inspection services
(7) Trustee company
(8) Digital automotive and payment technology products

Operating segment

(i) Australia – Online Advertising Services
(ii) Australia – Data, Research and Services
(iii) Australia – carsales investments
(iv) North America
(v) Latin America
(vi) Asia

(b) Non–controlling interests (NCI) for continuing operations

Set out below is summarised financial information for each subsidiary that has a material non-controlling interest. The amounts disclosed for each subsidiary include balances payable to and receivable from other Group subsidiaries.

Control was obtained over Webmotors S.A during the current year, refer to Note 20(b). Prior to this, the investment in this entity was classified as an associate and as such NCI was not previously recognised. There were no non-controlling interests in the prior period that were material to the Group.

The summarised statement of comprehensive income and net increase in cash and cash equivalents below for webmotors is for the period from the date of acquisition to 30 June 2023.

Summarised balance sheet **For the year ended 30 June 2023**	**webmotors** **$'000**
Current assets	**96,055**
Non-current assets	**687,973**
Current liabilities	**(49,307)**
Non-current liabilities	**(66,940)**
Net assets	**667,781**
Accumulated NCI	**48,653**

Summarised statement of comprehensive income **For the period 28 April 2023 to 30 June 2023**	**webmotors** **$'000**
Profit for the period	**3,748**
Other comprehensive income	**25,740**
Total comprehensive income	**29,488**
Profit for the period allocated to NCI	**1,687**
Total comprehensive income allocated to NCI	**2,832**
Dividends paid to NCI	**-**

For the period 28 April 2023 to 30 June 2023	**webmotors** **$'000**
Net increase/(decrease) in cash and cash equivalents	**8,264**

19. Interests in other entities continued

Name of Entity	Accumulated NCI $'000	Profit for the year allocated to NCI $'000	Total comprehensive income allocated to NCI $'000
Webmotors S.A.	48,653	1,687	2,832
Other	6,968	1,013	1,013
Total	55,621	2,700	3,845

(c) Interests in Associates

Accounting Policy

Associates are all entities over which the Group has significant influence but no control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost. The Group's investment in associates includes goodwill identified on acquisition. Acquisition-related costs of acquiring an interest in an associate are capitalised.

The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. Dividends receivable from associates are recognised as reduction in the carrying amount of the investment.

When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured long-term receivables, the Group does not recognise further losses unless it has incurred obligations or made payments on behalf of the associate.

At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group recognises the loss as share of profit of an associate or joint venture in the Consolidated Statement of Comprehensive Income.

The Group holds interests in the following associates:

Name of entity	Place of business/ country of incorporation	% of ownership interest 2023 %	2022 %	Nature of relationship	Measurement method
Webmotors S.A.	Brazil	–	30.0	Associate	Equity method
Skedgo Pty Ltd	Australia	–	20.6	Associate	Equity method
Trader Interactive LLC	United States of America	–	49.0	Associate	Equity method

Name of entity	Quoted fair value 2023 $'000	2022 $'000	Carrying amount 2023 $'000	2022 $'000	Share of profit/(loss) 2023 $'000	2022 $'000
Webmotors S.A.(i)	–	–	–	58,191	6,127	5,090
Skedgo Pty Ltd(ii)	–	–	–	2,358	(99)	(14)
Trader Interactive LLC(i)	–	–	–	857,099	(721)	12,100
Total equity accounted investments	–	–	–	917,648	5,307	17,176

(i) During the year, control was obtained over Trader Interactive LLC and Webmotors S.A (refer to Note 20) and as such the investments in these entities were reclassified from associates to consolidated subsidiaries.

(ii) The investment in Skedgo Pty Ltd was disposed of in June 2023 for non-cash consideration of $1.3 million and a $0.9 million loss on disposal was recognised within impairment loss and business closure expenses in the Consolidated Statement of Comprehensive Income.

(i) Movement in the carrying amount of significant equity accounted investments

For the year ended 30 June 2023	Trader Interactive LLC 49% ownership* $'000	Webmotors S.A. 30% ownership** $'000
Carrying amount at 1 July 2022	857,099	58,191
Share of profit for the year	2,877	6,475
Amortisation expense relating to fair value adjustments (net of tax)	(3,600)	(348)
Foreign exchange impact – other comprehensive income	63,214	4,606
Dividends received	–	(3,078)
Reclassification to consolidated subsidiary	(897,891)	(65,846)
Reclassification of promissory notes receivable	(21,699)	–
Carrying amount at 30 June 2023	–	–

* As of 30 September 2022, Trader Interactive LLC is now 100% owned and controlled by the Group. Refer to Note 20 for details. As a result, the investment was reclassified from an associate to a consolidated subsidiary.

** As of 28 April 2023, webmotors S.A. is now 70% owned and controlled by the Group. Refer to Note 20 for details. As a result, the investment was reclassified from an associate to a consolidated subsidiary.

19. Interests in other entities continued

For the year ended 30 June 2022	Trader Interactive LLC 49% ownership $'000	Webmotors S.A. 30% ownership $'000
Carrying amount at 1 July 2021	–	53,581
Acquisition of investment using equity method (cash)	794,708	–
Acquisition of promissory notes receivable (cash)*	19,084	–
Transaction costs capitalised	15,849	–
Gain on acquisition hedge (net of tax)	(36,101)	–
Share of profit for the year	28,092	5,478
Amortisation expense relating to fair value adjustments (net of tax)	(15,992)	(388)
Foreign exchange impact – other comprehensive income	51,459	1,776
Dividends receivable	–	(2,256)
Carrying amount at 30 June 2022	857,099	58,191

* The Group acquired 49% of interest bearing promissory notes in the entity to the value of $19.0 million at the acquisition date, which were extinguished upon completion of the acquisition of the 51% remaining interest in Trader Interactive.

(ii) Summarised financial information for significant associates

The tables below provide summarised financial information for the associates that are material to the Group.

The information disclosed reflects the amounts presented in the financial statements of the relevant associate and not the Company's share of those amounts.

For the year ended 30 June 2023	Trader Interactive LLC 1 July 2022 to 30 September 2022 $'000	Webmotors S.A. 1 July 2022 to 28 April 2023 $'000
Revenue	56,664	104,747
Profit/(loss) from continuing operations	(1,471)	20,424
Other comprehensive income	–	–
Total comprehensive income/(loss)	(1,471)	20,424
Group's share		
Profit/(loss) from continuing operations	(721)	6,127
Foreign exchange impacts – other comprehensive income*	63,214	4,606
Total comprehensive income	62,493	10,733

* Relates to translation of the equity accounted investment.

For the year ended 30 June 2022	Trader Interactive LLC 49% ownership $'000	Webmotors S.A. 30% ownership $'000
Total current assets	52,604	62,150
Total non-current assets	17,192	63,123
Total current liabilities	(18,018)	(45,064)
Total non-current liabilities	(606,717)	(198)
Net assets	(554,939)	80,011
Group's share in %	49.0%	30.0%
Group's share in $	(271,920)	24,003
Goodwill and capitalised transaction costs	902,424	31,001
Acquired intangibles (net of tax)	207,900	3,187
Share-based payments recognised directly in equity	(3,300)	–
Promissory notes receivable acquired	20,267	–
Foreign exchange impacts	1,728	–
Carrying amount	857,099	58,191
Revenue	158,639	92,726
Profit from continuing operations		
Other comprehensive income	24,695	16,966
Total comprehensive income	24,695	16,966
Group's share		
Profit from continuing operations	12,100	5,090
Foreign exchange impacts – other comprehensive income	51,459	1,776
Total comprehensive income	63,559	6,866

(iii) Contingent liabilities in respect of associates

	2023 $'000	2022 $'000
Contingent liabilities – associates		
Contingent liabilities relating to liabilities of Webmotors S.A. for which the Company is severally liable	**n/a**	186
Contingent liabilities relating to liabilities of Trader Interactive LLC for which the Company is severally liable	**n/a**	–

19. Interests in other entities continued

(d) Financial assets at fair value through other comprehensive income

Accounting Policy

Investments are designated as financial assets at fair value through other comprehensive income if they do not have fixed maturities and fixed or determinable payments, and management intends to hold them for the medium to long-term. The Group has irrevocably elected to account for investments which are not held for trading at fair value through other comprehensive income. These are strategic investments and the Group considers this classification to be more relevant. Financial assets that are carried at fair value are measured by the fair value measurement hierarchy referred to in Note 9.

On disposal of these equity investments, any related balance with the FVOCI reserve is reclassified to retained earnings.

Key Assumption/Accounting Estimates

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. The Group uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Refer to Note 9 for details of the valuation techniques used to value the investment.

	% of ownership		Carrying amount	
Name of entity	**2023 %**	**2022 %**	**2023 $'000**	**2022 $'000**
Quoted financial assets				
Plenti Group Ltd (formerly 'RateSetter Australia Pty Ltd') (i)	**–**	9.5	**–**	10,455
Unquoted financial assets				
PromisePay Pte Ltd (ii)	**18.4**	18.4	**4,255**	4,101
mx51 Group Pty Ltd (ii)	**2.5**	3.3	**2,589**	4,409
Adfixus Pty Ltd (ii)	**9.9**	–	**1,500**	–
Other equity investments (iii)	**n/a**	n/a	**17,010**	17,931
Total financial assets at fair value through other comprehensive income			**25,354**	36,896

	2023 $'000	**2022 $'000**
At 1 July	**36,896**	49,529
Acquisition of financial assets at fair value through other comprehensive income	**2,363**	1,313
Sale of financial assets at fair value through other comprehensive income	**(6,997)**	(26,698)
Exchange differences recognised through other comprehensive income	**503**	698
Gain/(loss) recognised through other comprehensive income	**(7,411)**	12,054
At 30 June	**25,354**	36,896

(i) Plenti Group Ltd

During the year, the Group sold its investment in Plenti Group Ltd. The sale resulted in cash received of $7.0 million and the $2.2 million loss on disposal was recycled from the Financial Asset FVOCI reserve to retained earnings.

(ii) PromisePay, mx51 Group and Adfixus

The Group holds equity interests in the following entities which are not publicly listed: PromisePay Pte Ltd, mx51 Group Pty Ltd and Adfixus Pty Ltd. The Group reviewed the valuation of its interest in these entities. Refer to Note 9 for details of the valuation approach.

(iii) Other equity investments

This balance relates to investments in unlisted US based venture capital fund assets.

20. Business combination

Accounting Policy

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the:

- fair values of the assets transferred
- liabilities incurred to the former owners of the acquired business
- equity interests issued by the Group
- fair value of any asset or liability resulting from a contingent consideration arrangement, and
- fair value of any pre-existing equity interest in the subsidiary.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets.

Acquisition-related costs are expensed as incurred.

The excess of the:

- consideration transferred,
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value, with changes in fair value recognised in profit or loss.

If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

20. Business combination continued

(a) Trader Interactive

On 27 June 2022, carsales.com Ltd announced that it had exercised its call option to acquire the remaining 51% in Trader Interactive LLC. On 30 September 2022, the acquisition of the remaining stake in Trader Interactive was completed for $1,183.2 million (excluding transaction costs), resulting in the Group gaining control over Trader Interactive.

The acquisition was funded via a $1,207.0 million accelerated non-renounceable entitlement offer and an upsize of the Group's existing debt facilities.

Pursuant to AASB 3 *Business Combinations*, the transaction is treated as a step-acquisition which occurs when the buyer in a business combination has a previously held equity interest in a target and acquires an additional interest in the target that results in the buyer obtaining control. In a step acquisition scenario, the acquirer is required to revalue its existing stake to 'fair value' and recognise a gain for the excess over the previously held equity interest. The details of the acquisition are below:

(i) Purchase consideration

	$'000
Cash paid for the additional interest acquired	1,238,736
Working capital adjustment	(259)
Fair value of pre-existing interest held	1,120,527
Hedge gain (net of tax)	(55,567)
Total purchase consideration	**2,303,437**

(ii) Net gain on revaluation

In accordance with the accounting policy above, the Group has re-measured its previously held equity interest in Trader Interactive at the acquisition date fair value immediately prior to the business combination. The Group has recognised a net gain on the step acquisition of $337.9 million, being the difference between the acquisition-date fair value of its existing ownership in Trader Interactive ($1,120.5 million), the carrying value of its investment in Trader Interactive as an associate ($897.9 million) and the impact of historical foreign exchange movements on the investment balance ($115.3 million).

This gain has been recognised within 'Net gain on step acquisition of associates' in the Consolidated Statement of Comprehensive Income.

	$'000
Fair value of previously held interest	1,120,527
Less: carrying value of Trader Interactive investment as an associate	(897,891)
Add: reclassification of exchange differences	115,269
Net gain on step acquisition of associate	**337,905**

(iii) Cash flow hedge

In June 2022, the Group entered into forward foreign exchange contracts for USD with a total notional value of $1,213.4 million and a maturity of September 2022. These contracts were designated as a cash flow hedge to protect against foreign exchange fluctuations relating to purchase of the remaining 51% of Trader Interactive. Unrealised hedge gains and losses were recognised in the cash flow hedge reserve net of tax. In September 2022, the forward contracts were settled resulting in a net cash inflow of $83.7 million. The net gain was recycled from the cash flow hedge reserve and the effective portion of $55.6 million formed part of the consideration paid for Trader Interactive. The ineffective portion ($3.0 million) was recognised in the Consolidated Statement of Comprehensive Income within finance costs.

(iv) Details of net assets and liabilities acquired

	Fair value recognised on acquisition $'000
Cash and cash equivalents	**31,365**
Trade and other receivables	**12,315**
Property, plant and equipment	**1,228**
Right-of-use assets	**2,257**
Other receivables	**3,446**
Other financial assets	**171**
Trade and other payables	**(628,949)**
Contract liabilities – deferred revenue	**(3,755)**
Lease liabilities (C)	**(1,922)**
Provisions	**(2,252)**
Current tax liabilities	**(232)**
Lease liabilities (NC)	**(5,630)**
Net identifiable assets acquired	**(591,958)**
Customer relationships	**617,226**
Trade names	**152,363**
Software	**8,396**
Goodwill	**2,179,377**
Deferred tax liability recognised on intangible assets acquired	**(84,540)**
Identifiable intangible assets acquired	**2,872,822**
Deferred tax assets relating to tax losses	**22,573**
Net assets acquired	**2,303,437**

Initial accounting

Both the net asset value and the allocation of the purchase price to acquired assets is still preliminary. In particular, the fair values assigned to intangible assets and deferred taxes are still being assessed and may be subject to change. The acquisition accounting including tax related impacts will be finalised within 12 months of the acquisition date.

The goodwill is attributable to the workforce and synergistic benefits that are expected to be created by this acquisition.

(v) Acquired receivables

The fair value of trade and other receivables is equal to the gross contractual amount. Trade receivables are expected to be collected in full.

(vi) Revenue and profit before tax from continuing operations

From the date of acquisition, the additional 51% investment in Trader Interactive contributed $182.6 million of revenue and $69.5 million to the profit from continuing operations of the Group. If the acquisition had occurred on 1 July 2022, the contribution to consolidated revenue and consolidated profit for the Group would have been $239.4 million and $68.0 million respectively. Profit has been calculated based on the subsidiary results and includes the additional amortisation that would have been charged from 1 July in relation to acquired intangible assets, together with the consequential tax effects.

(vii) Borrowings

Immediately prior to the completion of the acquisition, Trader Interactive had $570.5 million in external borrowings with Credit Suisse and a further $48.5 million in promissory notes payable held by the shareholders of Trader Interactive, including carsales.com Ltd. The Group had previously acquired 49% ($21.7 million) of the promissory notes in September 2021 as part of its initial investment in Trader Interactive. On 30 September 2022, as part of the transaction to acquire the remaining share of Trader Interactive, the Group paid $570.5 million to settle the debt with Credit Suisse including associated fees. A further $26.8 million was paid to the former shareholders of Trader Interactive to fully acquire the promissory notes. At 30 June 2023, intercompany loans to the same value have been recognised between carsales and Trader Interactive. These loans are eliminated upon consolidation of Trader Interactive into the Group's results.

Notes to the Consolidated Financial Statements cont.

30 June 2023

20. Business combination continued

(b) webmotors

On 28 April 2023 carsales.com Ltd acquired an additional 40% of Webmotors S.A. ("webmotors") for $368.7 million (excluding transaction costs), increasing the Group's interest from 30% to 70% and resulting in the Group gaining control over this business. The acquisition was funded via a $508.4 million pro-rata accelerated renounceable entitlement offer.

Pursuant to AASB 3 *Business Combinations*, the transaction is treated as a step-acquisition which occurs when the buyer in a business combination has a previously held equity interest in a target and acquires an additional interest in the target that results in the buyer obtaining control. In a step acquisition scenario, the acquirer is required to revalue its existing stake to 'fair value' and recognise a gain for the excess over the previously held equity interest. The details of the acquisition are below:

(i) Purchase consideration

	$'000
Cash paid for the 40% interest acquired	373,231
Working capital adjustment	–
Fair value of pre-existing 30% interest held	246,628
Hedge gain (net of tax)	(4,546)
Total purchase consideration	**615,313**

(ii) Net gain on revaluation

In accordance with the accounting policy above, the Group has re-measured its previously held equity interest in webmotors at the acquisition date fair value immediately prior to the business combination. The Group has recognised a net gain on the step acquisition of $148.6 million, being the difference between the acquisition-date fair value of its existing 30% ownership in webmotors ($246.6 million), the carrying value of its investment in webmotors as an associate ($65.8 million) and the impact of historical foreign exchange movements on the investment balance ($32.2 million loss). In calculating the net gain on the step acquisition, the Group applied a control premium of 13.5%. This gain has been recognised within 'Net gain on step acquisition of associates' in the Consolidated Statement of Comprehensive Income.

	$'000
Fair value of previously held interest	246,628
Less: carrying value of webmotors investment as an associate	(65,846)
Less: reclassification of exchange differences	(32,159)
Net gain on step acquisition of associate	**148,623**

(iii) Cash flow hedge

In March 2023 the Group entered into a foreign currency forward exchange contracts to swap AUD for USD with a total notional value of USD$239.5m and a maturity of 28 April 2023. The Group then entered into a non-deliverable foreign currency forward contract to swap USD equal to BRL$1,240.0m (USD$239.5m), with a maturity of 2 May 2023.

These contracts were designated as a cash flow hedge to protect against foreign exchange fluctuations relating to purchase of the additional 40% stake in webmotors. Unrealised hedge gains and losses were recognised in the cashflow hedge reserve net of tax. In May 2023, the forward contracts were settled resulting in a net cash inflow of $6.4 million. The hedge was 100% effective and the net gain of $4.5 million was recycled from the cashflow hedge reserve and formed part of the consideration paid for webmotors.

(iv) Details of net assets and liabilities acquired

	Fair value recognised on acquisition $'000
Cash and cash equivalents	28,785
Trade and other receivables	40,635
Property, plant and equipment	2,919
Right-of-use assets	1,277
Other receivables	11,211
Current tax asset	7,249
Trade and other payables	(23,081)
Borrowings	(29,815)
Lease liabilities (C)	(363)
Provisions	(2,786)
Lease liabilities (NC)	(1,147)
Net identifiable assets	34,884
Customer relationships	118,473
Trade names	39,936
Software	21,425
Deferred tax liability recognised on intangible assets acquired	(57,547)
Identifiable intangible assets	122,287
Non-controlling shareholder interest in net assets	(45,820)
Goodwill	503,962
Net assets acquired	615,313

Initial accounting

Both the net asset value and the allocation of the purchase price to acquired assets is still preliminary. In particular, the fair values assigned to intangible assets and deferred taxes are still being assessed and may be subject to change. The acquisition accounting including tax related impacts will be finalised within 12 months of the acquisition date.

The goodwill is attributable to the workforce and synergistic benefits that are expected to be created by this acquisition and is not expected to be deductible for tax purposes.

(v) Acquired receivables

The fair value of trade and other receivables is $40.6 million. The gross contractual amount for trade receivables due is $42.0 million, with a loss allowance of $1.4 million recognised on acquisition.

(vi) Revenue and profit before tax from continuing operations

From the date of acquisition, the additional 40% investment in webmotors contributed $26.4 million of revenue and $3.7 million to the profit from continuing operations of the Group.

If the acquisition had occurred on 1 July 2022, the contribution to consolidated revenue and consolidated profit for the Group would have been $131.1 million and $27.3 million respectively. Profit has been calculated based on the subsidiary results and includes the additional amortisation that would have been charged from 1 July in relation to acquired intangible assets, together with the consequential tax effects.

(vii) Non-controlling interests

The Group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

21. Parent entity financial information

Accounting Policy

The financial information for the parent entity, carsales.com Ltd, has been prepared on the same basis as the consolidated financial statements, except as set out below:

Investments in subsidiaries are accounted for at cost in the financial statements of carsales.com Ltd. Dividends received from subsidiaries are recognised in the parent entity's profit or loss, rather than being deducted from the carrying amount of these investments. Investments in subsidiaries are tested for impairment whenever changes in events or circumstances indicate that the carrying amount may not be recoverable. Such events may include receipt of dividends. Refer to Note 17 for details of impairment accounting policies.

In addition to its own current and deferred tax amounts, carsales.com Ltd also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly owned entities fully compensate the company for any current tax payable assumed and are compensated by the Company for any current tax receivable and deferred taxes relating to unused tax losses or unused tax credits that are transferred to carsales.com Ltd under the tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly owned entities' financial statements. Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as amounts receivable or payable to other entities in the Group. Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly owned tax consolidated entities.

Where the parent entity has provided financial guarantees in relation to loans and payables of subsidiaries for no compensation, the fair values of these guarantees are accounted for as contributions and recognised as part of the cost of the investment.

(a) Summary financial information

	2023 $'000	2022 $'000
Balance sheet		
Current assets	**76,684**	91,222
Non-current assets	**3,478,658**	1,660,157
Total assets	**3,555,342**	1,751,379
Current liabilities	**64,396**	76,517
Non-current liabilities	**813,147**	771,242
Total liabilities	**877,543**	847,759
Net assets	**2,677,799**	903,620
Shareholders' equity		
Issued capital	**2,451,802**	769,959
Reserves	**27,773**	26,289
Retained earnings	**198,224**	107,372
Total equity	**2,677,799**	903,620
Profit for the year	**279,198**	113,067
Total comprehensive income	**274,761**	111,434

(b) Contingent liabilities of the parent entity

The parent entity did not have any contingent liabilities as at 30 June 2023 or 30 June 2022.

22. Deed of cross guarantee

The following controlled entities have entered into a Deed of Cross Guarantee:

Company	Financial year entered into agreement
carsales.com Ltd	30 June 2015
carsales Holdings Pty Ltd	30 June 2015
carsales North America Holdings Pty Ltd (formerly carsales Finance Pty Ltd)	30 June 2015
Auto Exchange Holdings Pty Ltd	30 June 2015
Automotive Data Services Pty Ltd	30 June 2015
carsales.com Investments Pty Ltd	30 June 2015
Discount Vehicles Australia Pty Ltd	30 June 2015
Equipment Research Group Pty Ltd	30 June 2015
Webpointclassifieds Pty Ltd	30 June 2015
carsales Latam Pty Ltd	30 June 2016
carsales Foundation Pty Ltd	30 June 2016
carsales Argentina Pty Ltd	30 June 2017
Automotive Exchange Pty Ltd	30 June 2018
AS1 Holdings Pty Ltd	30 June 2018
Tyresales Pty Ltd	30 June 2021
Appraisal Solutions Pty Ltd	30 June 2021
carsales Tyre Holding Pty Ltd	30 June 2022
Transport Ventures Pty Ltd	30 June 2022
Tyreconnect Pty Ltd	30 June 2022
Programmatic Holdings Pty Ltd	30 June 2022
CS Motion Holdings Pty Ltd	30 June 2022
CS Motion Development Pty Ltd	30 June 2022

The companies that are party to this deed guarantee the debts of the others and represent the 'Closed Group' from the date of entering into the agreement. These wholly-owned entities have been relieved from the requirement to prepare a Financial Report and Directors' Report under Class Order 98/1418 (as amended) issued by the Australian Securities and Investments Commission.

(a) Consolidated statement of comprehensive income

	2023 $'000	2022 $'000
Revenue from continuing operations		
Revenue from contracts with customers	436,818	391,568
Revenue from continuing operations	436,818	391,568
Expenses		
Operating expenses	(145,124)	(173,043)
Earnings before interest, taxes, depreciation and amortisation	291,694	218,525
Depreciation and amortisation expense	(32,199)	(25,331)
Finance income	5,860	996
Finance costs	(54,305)	(18,193)
Fair value in put options	–	289
Share of net profit from associates accounted for using the equity method	6,027	–
Net gain on step acquisition of associate	148,623	–
Impairment loss and business closure expenses	(28,024)	–
Dividends income	7,639	4,371
Profit before income tax	345,315	180,657
Income tax expense	(43,896)	(52,906)
Profit from continuing operations	301,419	127,751
Total comprehensive income for the year	299,178	140,426

22. Deed of cross guarantee continued

(b) Consolidated statement of financial position

Set out below is a consolidated statement of financial position as at 30 June 2023 of the Closed Group.

Consolidated statement of financial position	2023 $'000	2022 $'000
Current assets		
Cash and cash equivalents	**35,311**	42,075
Trade and other receivables	**76,943**	56,833
Derivative assets	**–**	5,526
Inventory	**2,065**	3,222
Total current assets	**114,319**	107,656
Non-current assets		
Investments accounted for using the equity method and subsidiaries	**3,098,881**	537,689
Financial assets at fair value through other comprehensive income	**25,354**	36,896
Property, plant and equipment	**3,205**	4,349
Right-of-use assets	**36,015**	38,076
Deferred tax assets	**15,766**	15,226
Intangible assets	**149,312**	158,734
Other receivables	**16,579**	793,072
Total non-current assets	**3,345,112**	1,584,042
Total assets	**3,459,431**	1,691,698
Current liabilities		
Trade and other payables	**35,179**	37,142
Lease liabilities	**3,885**	3,303
Current tax liabilities	**14,936**	29,560
Other financial liabilities	**1,136**	–
Provisions	**9,063**	9,036
Contract liabilities – deferred revenue	**4,663**	4,216
Total current liabilities	**68,862**	83,257
Non-current liabilities		
Trade and other payables	**–**	–
Borrowings	**681,983**	649,533
Lease liabilities	**42,677**	45,017
Deferred tax liabilities	**5,899**	6,615
Other financial liabilities	**5,333**	1,153
Provisions	**1,165**	1,069
Total non-current liabilities	**737,057**	703,387
Total liabilities	**805,919**	786,644
Net assets	**2,653,512**	905,054
Equity		
Contributed equity	**2,451,802**	769,959
Reserves	**(28,533)**	27,021
Retained earnings	**230,243**	108,074
Total equity	**2,653,512**	905,054

23. Related party transactions

The Group has identified the parties it considers to be related and the transactions conducted with those parties. Other than those disclosed below, no other related party transactions have been identified.

(a) Key Management Personnel compensation

	2023 $	2022 $
Short-term employee benefits	**6,578,402**	7,593,015
Deferred short-term employee benefits	**783,500**	715,083
Post-employment benefits	**191,944**	199,803
Long-term employment benefits	**108,445**	89,729
Share-based payments	**2,585,996**	78,466
	10,248,287	8,676,096

(b) Transactions with other related parties

The following transactions occurred with related parties:

	2023 $	2022 $
Sale of goods and services to related parties	**1,417,354**	1,282,428
Purchase of goods and services from related parties	**1,914,982**	1,741,001

All transactions were made at arms-length, on normal commercial terms and conditions and at market rates. This also includes transactions with associates.

(c) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

	2023 $	2022 $
Current receivables (sale of goods and services)		
Other related parties	**43,585**	83,115
Current payables (purchase of goods and services)		
Other related parties	**145,366**	12,718

There is no allowance accounted for impaired receivables in relation to any outstanding balances, and no expense has been recognised in respect of impaired receivables due from related parties.

Notes to the Consolidated Financial Statements cont.

30 June 2023

ITEMS NOT RECOGNISED

This section of the notes provides information about material items that are not recognised in the financial statements as they do not yet satisfy the recognition criteria.

24. Events occurring after the reporting period

No matters or circumstances have occurred subsequent to period end that have significantly affected, or may significantly affect, the operations of the Group, the results of those operations or the state of affairs of the Group or economic entity in subsequent financial years.

OTHER

This section provides information on items which require disclosure to comply with Australian Accounting Standards and other regulatory pronouncements, however, are not considered critical in understanding the financial performance or position of the Group.

25. Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent entity, its related practices and non-related audit firms:

(a) PricewaterhouseCoopers Australia

	2023 $	2022 $
Audit and other assurance services		
Audit and review of Financial Reports	**1,142,545**	820,590
Due diligence services	**607,500**	250,700
Other assurance services	**–**	126,498
Total remuneration for audit and other assurance services	**1,750,045**	1,197,788
Taxation services		
Tax compliance services, including review of Company income tax returns	**153,000**	149,004
Total remuneration for taxation services	**153,000**	149,004
Total remuneration of PricewaterhouseCoopers Australia	**1,903,045**	1,346,792
(b) Network firms of PricewaterhouseCoopers Australia		
Audit and other assurance services		
Audit and review of Financial Reports	**313,356**	217,014
Total remuneration for audit and other assurance services	**313,356**	217,014
Total remuneration of network firms of PricewaterhouseCoopers Australia	**313,356**	217,014
Total remuneration for PricewaterhouseCoopers	**2,216,401**	1,563,806
(c) Non-PwC audit firms		
Audit and review of Financial Reports	**306,579**	296,529
Tax compliance services	**–**	22,382
Total remuneration for Non-PwC audit firms	**306,579**	318,911
Total auditors' remuneration	**2,522,980**	1,882,717

It is the Company's policy to employ PwC on assignments additional to their statutory audit duties where PwC's expertise and experience with the Company are important. These assignments are principally tax compliance services and due diligence reporting on acquisitions, or where PwC is awarded assignments on a competitive basis. It is the Company's policy to seek competitive tenders for all major consulting projects.

26. Share-based payments

Share-based compensation benefits are provided to employees via the carsales.com Ltd Employee Option Plan.

Total expenses arising from share-based payment transactions recognised during the period as part of employee benefit expense were $2,683,334 (2022: $2,097,675).

Employee Option Plan

Set out below are summaries of options and performance rights granted under the plan:

2023

Grant date	Exercise price	Opening balance	Granted during the year	Exercised during the year	Expired or lapsed during the year	Closing balance	Vested and exercisable at 30 June
Options							
Oct 2016	$12.23	69,961	–	(9,629)	–	60,332	60,332
Oct 2017	$11.41	28,442	–	(3,089)	–	25,353	25,353
Oct 2018	$14.87	51,449	–	(6,383)	–	45,066	45,066
Oct 2019	$13.54	244,714	–	(63,276)	(61,163)	120,275	120,275
Total options		394,566	–	(82,377)	(61,163)	251,026	251,026
Weighted average exercise price		$13.33	–	$13.41	$13.54	$13.25	$13.25
Performance rights							
Oct 2018	$0.00	–					
Oct 2019	$0.00	130,084	–	(117,958)	(12,126)	–	–
Oct 2020	$0.00	161,491	–	–	(1,890)	159,601	–
Aug 2021	$0.00	58,697	–	(58,697)	–	–	–
Feb 2022	$0.00	190,727	–	–	(13,811)	176,916	–
Dec 2022	$0.00	–	316,847	–	(8,493)	308,354	–
Total performance rights		540,999	316,847	(176,655)	(36,320)	644,871	–
Weighted average exercise price		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total of plan		935,565	316,847	(259,032)	(97,483)	895,897	251,026
Weighted average exercise price		$5.62	$0.00	$4.26	$8.50	$3.71	$13.25

2022

Grant date	Exercise price	Opening balance	Granted during the year	Exercised during the year	Expired or lapsed during the year	Closing balance	Vested and exercisable at 30 June
Options							
Oct 2016	$12.23	88,221	–	(18,260)	–	69,961	69,961
Oct 2017	$11.41	51,491	–	(22,588)	(461)	28,442	28,442
Oct 2018	$14.87	426,452	–	(369,739)	(5,264)	51,449	51,449
Oct 2019	$13.54	285,056	–	–	(40,342)	244,714	–
Total options		851,220	–	(410,587)	(46,067)	394,566	149,852
Weighted average exercise price		$13.94	–	$14.56	$13.67	$13.33	$12.98
Performance rights							
Oct 2018	$0.00	152,563	–	(8,519)	(144,044)	–	–
Oct 2019	$0.00	153,938	–	–	(23,854)	130,084	–
Aug 2020	$0.00	14,461	–	(14,461)	–	–	–
Oct 2020	$0.00	201,820	–	–	(40,329)	161,491	–
Aug 2021	$0.00	–	58,697	–	–	58,697	–
Feb 2022	$0.00	–	226,533	–	(35,806)	190,727	–
Total performance rights		522,782	285,230	(22,980)	(244,033)	540,999	–
Weighted average exercise price		$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
Total of plan		1,374,002	285,230	(433,567)	(290,100)	935,565	149,852
Weighted average exercise price		$8.64	$0.00	$13.79	$2.17	$5.62	$12.98

The estimate of the weighted average share price at the date of exercise of options exercised regularly during the year ended 30 June 2023 is estimated to be approximately $22.16 (2022: approximately $24.92).

The weighted average remaining contractual life of share options and rights outstanding at the end of the period was 6.41 years (2022: 9.72 years).

The establishment of the carsales.com Ltd Employee Option Plan was undertaken under a prospectus lodged with ASIC in 2000. Staff eligible to participate in the plan are those invited by the Board of Directors.

Options and performance rights are granted under the plan for no consideration with conditions including a vesting period and expiry date. Senior Executives' vesting conditions, including EPS targets, are noted in the Remuneration Report on page 58.

Options and performance rights granted under the plan carry no dividend or voting rights. When exercisable, each option is convertible into one ordinary share in return for payment of the option's exercise price. Each performance right is convertible into one ordinary share for $0.00 exercise price, upon satisfaction of all vesting requirements.

26. Share-based payments continued

Fair value of options and performance rights granted

The fair value of the performance rights was determined using a Black Scholes model for those rights with non-market based vesting conditions and using the Monte Carlo method for those rights with market-based vesting conditions.

The model inputs for performance rights granted during the year ended 30 June 2023 included:

Grant date	15 Aug 22 Non-Market Based	8 Dec 22 Market Based (35%)	8 Dec 22 Non-Market Based (65%)
Share price at grant date	$22.90	$21.71	$21.71
Fair value	$22.61	$13.57	$20.40
Term	1.00	2.70	2.70
Expected price volatility of the Company's shares	33.0%	32.6%	32.6%
Expected dividend yield	2.5%	2.3%	2.3%
Risk-free interest rate	3.6%	3.1%	3.1%

The expected price volatility is based on historical volatility adjusted for any expected changes to future volatility due to publicly available information. No performance rights have a cost to exercise.

27. Other significant accounting policies

(a) Foreign currency translation

(i) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Australian dollars, which is carsales.com Ltd's functional and presentation currency.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(iii) Group companies

The results and financial position of foreign operations (none of which has been restated for a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each consolidated statement of financial position presented are translated at the closing rate at the date of that balance sheet;
- income and expenses for each consolidated statement of comprehensive income are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- all resulting exchange differences are recognised as a separate component of equity.

On consolidation, exchange differences arising from the translation of any net investment in foreign entities and of borrowings are recognised as other comprehensive income. When a foreign operation is sold or any borrowings forming part of the net investment are repaid, a proportionate share of such exchange differences are recognised in the consolidated statement of comprehensive income as part of the gain or loss on sale where applicable.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

(b) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case, it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included with other receivables or payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flow.

(c) New and amended Accounting Standards and Interpretations

(i) New and amended Accounting Standards and Interpretations issued and effective

The Group has not adopted any new or amended Accounting Standards and Interpretations this year that have had a material impact on the Group or the Company.

(ii) Accounting standards and Interpretations issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2023 reporting periods and have not been early adopted by the Group. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Directors' Declaration

In the Directors' opinion:

(a) the financial statements and notes set out on pages 83 to 153 as it stands now are in accordance with the *Corporations Act 2001*, including:

   (i) Complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements.

   (ii) Giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the financial year ended on that date.

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

The basis of preparation confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

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

Signed in accordance with a resolution of Directors.

Cameron McIntyre
Managing Director and CEO

Melbourne
13 August 2023

Independent Auditor's Report to the Members of Carsales.com Ltd

Independent auditor's report

To the members of carsales.com Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of carsales.com Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended

(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The Group financial report comprises:

- the consolidated statement of financial position as at 30 June 2023
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information
- the directors' declaration.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

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

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if

PricewaterhouseCoopers, ABN 52 780 433 757
2 Riverside Quay, SOUTHBANK VIC 3006, GPO Box 1331 MELBOURNE VIC 3001
T: +61 3 8603 1000, F: +61 3 8603 1999, www.pwc.com.au

individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

The Group operates in the online automotive classifieds markets and is headquartered in Australia. It has operations in Australia, North America, Asia, and Latin America.

Materiality

- For the purpose of our audit we used overall Group materiality of $12.5m, which represents approximately 5% of the Group's profit before tax from continuing operations, excluding the net gain on step acquisition of associates and impairment loss and business closure expenses.
- We applied this threshold, together with qualitative considerations, to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements on the financial report as a whole.
- We chose adjusted profit before tax because, in our view, it is the benchmark against which the performance of the Group is most commonly measured. We adjusted for the net gain on step acquisition of associates and impairment loss and business closure expenses because these are one off in nature.
- We utilised a 5% threshold based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

Audit Scope

- Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.
- We tailored the scope of our audit to ensure that we performed sufficient work to give an opinion on the financial report as a whole, taking into account the geographic structure of the Group, the significance and risk profile of each business, the accounting processes and controls and the industry in which the Group operates.
- Component auditors in the United States, South Korea and Brazil performed procedures over the Trader Interactive, Encar and Webmotors businesses respectively. The component auditors performed their work under our instruction and supervision. Our involvement included visiting certain locations, meeting with the component audit teams, issuing written instructions and reviewing a selection of component auditor workpapers.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit Committee.

<table>
<tr><th>Key audit matter</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td>
Carrying value of goodwill, brands, trademarks and customer relationships for South Korea and North America CGUs
(Refer to note 17)

At 30 June 2023, the Group has:
● $3,134.0m of goodwill, of which $355.7m relates to the South Korea CGU and $2,101.5m million relates to the North America CGU
● $925.6m of brands, trademarks and customer relationships, which include those assets within the South Korea and North America CGUs.

The Group tests these intangible assets for impairment on an annual basis. The recoverability is assessed on a fair value less costs to sell basis, using impairment models prepared using discounted cash flows. This requires the Group to make significant judgements and assumptions, including estimation of forecast cash flows, terminal value growth rates and discount rates.

The carrying value of intangible assets in the North America and South Korea CGUs is a key audit matter due to both the significance of the balances and the degree of subjectivity in the judgements and assumptions.
</td><td>
We performed the following procedures, amongst others:
● Tested the mathematical accuracy of key underlying calculations in the impairment models.
● Compared the forecast cash flows used in the impairment models with the most recent budgets approved by the Board.
● Assessed the historical accuracy of the Group's cash flow forecasts by comparing prior budgets to actual performance.
● Compared growth rate assumptions used in the impairment models to historical results, external data sources such as economic and industry forecasts and similar established businesses within the carsales portfolio.
● With the assistance of our internal valuation experts, we assessed the discount rates and terminal growth rates used in the impairment models by comparing them to external market data and comparable companies.
● Considered the disclosures made in note 17, in light of the requirements of Australian Accounting Standards.
</td></tr>
<tr><td>
Step-acquisition accounting for Trader Interactive and webmotors
(Refer to note 20)
On 30 September 2022, the Group completed the acquisition of the remaining 51% of Trader Interactive for $1,183.2m. The initial 49% equity accounted investment in Trader Interactive was disposed of on this date resulting in a net gain of $337.9m.

On 28 April 2023, the Group completed the acquisition of an additional 40% shareholding in webmotors for $368.7m having previously acquired a 30%
</td><td>
We performed the following procedures, amongst others for both acquisitions:
● Read the purchase agreements and other selected key documents associated with the transactions and evaluated the Group's accounting against Australian Accounting Standards.
● With the assistance of our internal valuation experts, we assessed the provisional values of the acquired identifiable intangible assets recognised by:
</td></tr>
</table>

Key audit matter	How our audit addressed the key audit matter
shareholding. The initial 30% equity accounted investment was disposed of on this date resulting in a net gain of $148.6m. The Group undertook a purchase price allocation exercise for both acquisitions in order to calculate the provisional values of identifiable intangible assets. The accounting for the acquisitions is provisional at the time of authorisation of the financial report. The accounting for these acquisitions is a key audit matter due to the significance of the gain to the Group's result for the year and the judgements made by the Group to determine the fair value of the additional interests acquired.	○ Considering the valuation methodology in light of the requirements of Australian Accounting Standards. ○ Assessing key assumptions used in the valuation by comparing them to external market data and comparable companies. • Tested the mathematical accuracy of the underlying calculations. • Assessed if Group's gain on disposal of the previously held equity accounted investments was appropriately recognised in the consolidated statement of comprehensive income in accordance with Australian Accounting Standards. • Considered the disclosures made in note 20, in light of the requirements of Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

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

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the pwc

going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf. This description forms part of our auditor's report.

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in pages 58 to 77 of the directors' report for the year ended 30 June 2023.

In our opinion, the remuneration report of carsales.com Limited for the year ended 30 June 2023 complies with section 300A of the *Corporations Act 2001.*

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the remuneration report in accordance with section 300A of *the Corporations Act 2001*. Our responsibility is to express an opinion on the remuneration report, based on our audit conducted in accordance with Australian Auditing Standards.

PricewaterhouseCoopers

Sam Lobley
Partner

Melbourne
13 August 2023

Shareholder Information

The shareholder information set out below was applicable as at 30 June 2023.

A. Distribution of equity securities

	Class of equity security			
	Ordinary shares			
	Shares	Options and performance rights	Redeemable preference shares	Convertible notes
Holding	No. of holders	No. of holders	No. of holders	No. of holders
1 – 1,000	14,349	1	–	–
1,001 – 5,000	6,960	11	–	–
5,001 – 10,000	974	4	–	–
10,001 – 100,000	584	12	–	–
100,001 and over	79	1	–	–
	22,946	29	–	–

There were 404 holders of less than a marketable parcel of ordinary shares. There were no redeemable preference shares or convertible notes outstanding.

B. Equity security holders

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

	Ordinary shares	
	Number held	Percentage of issued shares
HSBC Custody Nominees (Australia) Limited	128,665,157	34.15
Citicorp Nominees Pty Limited	63,054,566	16.74
J P Morgan Nominees Australia Pty Limited	49,117,522	13.04
BNP Paribas Nominees Pty Ltd (DRP)	14,133,690	3.75
National Nominees Limited	13,321,331	3.54
BNP Paribas Nominees Pty Ltd (AGENCY LENDING DRP A/C)	9,052,513	2.40
Netwealth Investments Limited (WRAP SERVICES A/C)	7,415,810	1.97
Australian Foundation Investment Company Limited	6,777,680	1.80
Clear-Way Investments Pty Ltd (JAMES FAMILY A/C)	4,336,087	1.15
Washington H Soul Pattinson & Company Limited	3,305,427	0.88
BNP Paribas Nominees Pty Ltd (HUB24 CUSTODIAL SERV LTD DRP)	3,126,261	0.83
Essena Pty Ltd	3,025,000	0.80
UBS Nominees Pty Limited	2,393,551	0.64
Steven Kloss Pty Ltd (KLOSS FAMILY A/C)	2,351,277	0.62
Mutual Trust Pty Ltd	2,143,704	0.57
Four Us Pty Ltd (GREG & KAREN ROEBUCK FAMILY)	2,029,521	0.54
Citicorp Nominees Pty Limited (COLONIAL FIRST STATE INV A/C)	1,876,758	0.50
Billkaren Pty Ltd (ROBINSON FAMILY A/C)	1,875,000	0.50
Mr Andrew Gajtan Curmi	1,260,500	0.33
Balfour Pines Pty Ltd (DUX FAMILY A/C)	1,200,000	0.32
	320,461,355	85.07

Shareholder Information cont.

	Number on issue	Number of holders
Options and performance rights issued under the carsales.com Ltd Employee Option Plan to take up ordinary shares	895,897	29

C. Substantial holders

Substantial holders in the Company are set out below:

	Number held	Percentage
Bennelong Funds Management Group Pty Ltd	24,778,228	6.58

D. Voting rights

The voting rights attaching to each class of equity securities are set out below:

(a) Ordinary shares

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

(b) Options

No voting rights.

Corporate Directory

Directors

Pat O'Sullivan
(Non-Executive Chair)

Cameron McIntyre
(Managing Director and CEO)

Wal Pisciotta OAM
(Non-Executive Director)

Kim Anderson
(Non-Executive Director)

Edwina Gilbert
(Non-Executive Director)

Kee Wong
(Non-Executive Director)

David Wiadrowski
(Non-Executive Director)

Susan Massasso
(Non-Executive Director)
(Appointed as a Director on 14 June 2023)

Steve Kloss
(Alternate Non-Executive Director)
(Retired as a Director on 4 November 2022)

Company secretary

Nicole Birman

Registered office

Level 4, 449 Punt Road Richmond Vic 3121

T +61 3 9093 8600
F +61 3 9093 8697

carsales.com.au

Share registry

Computershare Ltd
452 Johnston Street Abbotsford Vic 3067
T +61 3 9415 4000
F +61 3 9473 2500
computershare.com

External auditor

PricewaterhouseCoopers
2 Riverside Quay Southbank Vic 3006

Stock Exchange

carsales.com Ltd is a public company listed with the Australian Securities Exchange Limited

ASX: CAR

carsales.com ltd