

Coventry Group Limited

ACN 008 670 102

RETAIL ENTITLEMENT OFFER

Details of a 1 for 1.37 fully underwritten accelerated non-renounceable entitlement offer of Shares at an Issue Price of \$0.75 per New Share

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Thursday, 21 February 2019.

Underwriter



Important Notice

This document and the personalised Entitlement and Acceptance Form that accompanies it contains important information and requires your immediate attention. You should read both documents carefully and in their entirety. This document is not a prospectus under the Corporations Act and has not been lodged with the Australian Securities and Investments Commission (**ASIC**). If you have any queries please call your stockbroker, accountant or other professional adviser or the Coventry Offer Information Line on 1300 763 414 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 8:30am and 5.00pm (Melbourne time), Monday to Friday during the Retail Offer Period (Tuesday, 12 February 2019 to Thursday, 21 February 2019).

NOT FOR DISTRIBUTION OR RELEASE OUTSIDE OF AUSTRALIA OR NEW ZEALAND.

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Important Notices

This Retail Offer Booklet is dated 12 February 2019. Capitalised terms in this section have the meaning given to them in this Retail Offer Booklet.

This Offer Booklet is issued by Coventry Group Limited (ACN 008 670 102) (**Coventry**).

This Retail Entitlement Offer is being made pursuant to sections 708AA of the Corporations Act (as modified by ASIC Corporations (Non-Traditional Rights Issues) Instrument 2016/84) which allows rights issues to be offered without a prospectus. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on Coventry and the Entitlement Offer (for example, the information available on the ASX's website www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Shares.

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Coventry. Please refer to the "Risk Factors" section of the Investor Presentation for details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 3 of this Retail Offer Booklet).

Investments in Coventry are subject to investment risk, including delays in repayment and loss of income and capital invested. Coventry does not guarantee any return or any particular rate of return on the New Shares offered under the Retail Entitlement Offer or the performance of Coventry, nor does it guarantee the repayment of capital from Coventry.

By returning an Entitlement and Acceptance Form or otherwise paying for your New Shares through BPAY® in accordance with the instructions on the Entitlement and Acceptance Form, you acknowledge that you have read this Retail Offer Booklet and you have acted in accordance with and agree to the terms of the Retail Entitlement Offer detailed in this Retail Offer Booklet.

No overseas offering

This Retail Offer Booklet, the accompanying Entitlement and Acceptance Form or any accompanying ASX Announcement, do not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. In particular, this Retail Offer Booklet does not constitute an offer to Ineligible Shareholders.

This Retail Offer Booklet is not to be distributed in, and no offer of New Shares is to be made, in countries other than Australia and New Zealand.

No action has been taken to register or qualify the Retail Entitlement Offer or the New Shares, or otherwise permit the public offering of the New Shares, in any jurisdiction other than Australia and New Zealand.

The distribution of this Retail Offer Booklet (including an electronic copy) outside Australia and New Zealand, is restricted by law. If you come into possession of the information in this Retail Offer Booklet, you should observe such restrictions and should seek your own advice on such restrictions. Any non-compliance with these restrictions may contravene applicable securities laws.

Foreign exchange control restrictions or restrictions on remitting funds from your country to Australia may apply. Your Application for New Shares is subject to all requisite authorities and clearances being obtained for Coventry to lawfully receive your Application Monies.

New Zealand

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of Coventry with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This document has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not a product disclosure statement, investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement, investment statement or prospectus under New Zealand law is required to contain.

United States

This Retail Offer Booklet, any accompanying ASX announcement and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws. The New Shares to be offered and sold in the Retail Entitlement Offer may only be offered and sold outside the United States in "offshore transactions" in reliance on Regulation S under the US Securities Act.

Definitions and currency

Defined terms used in this Retail Offer Booklet are contained in the Glossary. All currency amounts in this Retail Offer Booklet are in Australian dollars unless otherwise stated.

Times and dates

All dates and times in this Retail Offer Booklet are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Melbourne time. Any changes to the timetable will be announced to ASX and made in accordance with the ASX Listing Rules, where applicable. Refer to the Key Dates section for more details.

Not investment advice

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

Past Performance

Investors should note that Coventry's past performance, including past security price performance and historical information in ASX announcement, cannot be relied upon as an indicator of (and provides no guidance as to) Coventry's future performance including Coventry's future financial position or security price performance. The pro forma historical information is not represented as being indicative of Coventry's views on its future financial condition or performance.

Forward-looking statements

This Retail Offer Booklet contains certain "forward looking statements" including, without limitation, projections and guidance on the performance of Coventry and the outcome of the Entitlement Offer. Forward looking statements can generally be identified by use of forward looking words such as "anticipate", "expect", "likely", "intend", "should", "could", "may", "propose", "predict", "plan", "potential", "will", "believe", "forecast", "estimate", "target", "outlook", "guidance" and other similar expressions within the meaning of securities laws of applicable jurisdictions and include, but are not limited to, statements relating to the future performance of Coventry and the outcome and effects of the Entitlement Offer and use of proceeds. No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Retail Offer Booklet, or any events or results expressed or implied in any forward-looking statement. Forward-looking statements, opinions and estimates provided in this Retail Offer Booklet are not guarantees of future performance and are by their nature inherently uncertain and are based on future events which may or may not be correct, assumptions and estimates which are subject to certain risks, uncertainties and change without notice, as are statements about market and industry trends, which are based on interpretation of market conditions. Actual results and performance may vary materially because events and actual circumstances frequently do not occur as forecast and future results are subject to known and unknown risk such as changes in market conditions and in regulations. Investors should form their own views as to these matters and any assumptions on which any of the forward-looking statements are based and not place reliance on such statements. To the maximum extent permitted by law, Coventry and its directors, officers, employees, advisers, agents and intermediaries disclaim any obligation or undertaking to release any updates or revisions to the information to reflect any change in expectations or assumptions.

Risks

Refer to the "Risk Factors" section of the Investor Presentation included in Annexure B of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Coventry.

Trading New Shares

Coventry will have no responsibility and disclaims all liability (to the maximum extent permitted by law) to persons who trade New Shares they believe will be issued to them before they receive their holding statements, whether on the basis of confirmation of the allocation provided by Coventry or the Registry or otherwise, or who otherwise trade or purport to trade New Shares in error or which they do not hold or are not entitled to.

If you are in any doubt as to these matters, you should first consult with your stockbroker, accountant or other professional advisers.

Chairman's Letter

Coventry – Retail Entitlement Offer

Dear Shareholder,

On behalf of the Directors of Coventry, I am pleased to invite you to participate in Coventry's recently announced underwritten 1 for 1.37 accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new Coventry Shares (**New Shares**) at an issue price of \$0.75 per New Share (**Issue Price**).

Entitlement Offer

On 5 February 2019, Coventry announced its intention to raise approximately \$27.6 million (less expenses) by way of an accelerated non-renounceable entitlement offer to Institutional Investors (**Institutional Entitlement Offer**) and a non-renounceable entitlement offer to Retail Investors (**Retail Entitlement Offer**).

The Entitlement Offer is underwritten by Bell Potter Securities Limited (**Underwriter**), subject to the terms of the Underwriting Agreement (see Section 4.12 for more details).

Use of proceeds

The proceeds of the Entitlement Offer will be used to fund part of the purchase price of the acquisition of all of the share capital in Nubco, a hardware and industrial suppliers retailer operating across Tasmania, and associated transaction costs and working capital requirements.

Retail Entitlement Offer

This letter relates to the Retail Entitlement Offer, which will raise approximately \$12.8 million (less expenses). Under the Retail Entitlement Offer, Eligible Retail Shareholders can subscribe for 1 New Share for every 1.37 Shares held as at the Record Date at an Issue Price of \$0.75 per New Share. The Issue Price represents a discount of approximately 22.3% to the \$0.965 closing price of Shares on 5 February 2019.

The New Shares issued under the Entitlement Offer will rank equally with existing Shares and will be entitled to all future distributions of Coventry.

The number of New Shares for which you are entitled to subscribe under the Retail Entitlement Offer (**Entitlement**) is set out in your personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet when it is despatched to Eligible Retail Shareholders on 12 February 2019. Eligible Retail Shareholders who take up their full Entitlement may also apply for Additional New Shares in excess of their Entitlement at the Issue Price. If there is sufficient shortfall available, Shareholders who apply for Additional New Shares will be issued those Additional New Shares in full. If there is insufficient shortfall available, then Shareholders will receive Additional New Shares on a proportionate share of the shortfall having regard to their holdings as at the Record Date, provided that no Eligible Shareholder is permitted to increase its relevant interest to more than 20% of the Shares on issue following the Entitlement Offer, or if already more than 20% then no increase is permitted. If any shortfall remains, it will be allocated at the discretion of the Board and the Underwriter and may be subject to scale back.

The Entitlement Offer is non-renounceable and therefore your Entitlements will not be tradeable on the ASX or otherwise transferrable. If you do not participate in the Retail Entitlement Offer, your Entitlement will lapse and you will receive no value for those lapsed Entitlements.

If you decide to take this opportunity to increase your investment in Coventry please ensure that, before 5.00pm (Melbourne time) on 21 February 2019, you have paid your Application Monies by BPAY® in accordance with the instructions that are set out in the personalised Entitlement and Acceptance Form that will accompany this Retail Offer Booklet, or otherwise that your completed Entitlement and Acceptance Form and your Application Monies are received in cleared funds by the Registry before the closing date of the Retail Entitlement Offer.

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on 21 February 2019

The Board advises you to carefully read this Retail Offer Booklet in its entirety and to seek appropriate professional advice before making any investment decision. In particular, you should refer to the "Risk Factors" section of the Investor Presentation included in Annexure B of this Retail Offer Booklet for a summary of general and specific risk factors that may affect Coventry and the Entitlement Offer.

If you have any questions about the Entitlement Offer, please do not hesitate to contact Coventry's Offer Information Line on 1300 763 414 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday during the Retail Offer Period.

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

On behalf of the Directors of Coventry, we invite you to consider this investment and participate in the exciting next stage of Coventry's growth.

Yours faithfully,

Neil Cathie
Chairman

Key Dates

Key event	Date - 2019
Announcement of the Entitlement Offer	Tuesday, 5 February
Record Date for eligibility in the Entitlement Offer	7.00pm (Melbourne time) on Friday, 8 February
Retail Entitlement Offer opens	9.00am (Melbourne time) on Tuesday, 12 February
Retail Offer Booklet despatched	Tuesday, 12 February
Settlement of the New Shares under the Institutional Entitlement Offer	Thursday, 14 February
Allotment of the New Shares issued under the Institutional Entitlement Offer	Friday, 15 February
Normal trading on ASX of New Shares issued under the Institutional Entitlement Offer	Friday, 15 February
Despatch of holding statements for New Shares issued under the Institutional Entitlement Offer	Monday, 18 February
Retail Entitlement Offer closes	5.00pm (Melbourne time) on Thursday, 21 February
Settlement of the New Shares issued under the Retail Entitlement Offer	Wednesday, 27 February
Allotment of New Shares issued under the Retail Entitlement Offer	Thursday, 28 February
Normal trading on ASX of New Shares issued under the Retail Entitlement Offer	Friday, 1 March
Despatch of holding statements for the New Shares issued under the Retail Entitlement Offer	Monday, 4 March

All dates and times are indicative only and subject to change. Unless otherwise specified, all times and dates refer to Melbourne time. Coventry reserves the right to amend any or all of these dates and times subject to the Corporations Act, the ASX Listing Rules and other applicable laws. In particular, Coventry reserves the right to extend the Retail Closing Date and to accept late Applications under the Retail Entitlement Offer without prior notice. Any extension of the Retail Closing Date will have a consequential effect on the allotment date for New Shares under the Retail Entitlement Offer.

Coventry also reserves the right not to proceed with the Entitlement Offer in whole or in part at any time prior to allotment and issue of the New Shares under the Retail Entitlement Offer. In that event, the relevant Application Monies (without interest) will be returned in full to applicants.

The commencement of quotation of New Shares is subject to the discretion of ASX.

What Should You Do?

1. Read this Retail Offer Booklet and the accompanying Entitlement and Acceptance Form

This Retail Offer Booklet and the personalised Entitlement and Acceptance Form that accompanies it contain important information about the Retail Entitlement Offer. You should read both documents carefully and in their entirety before deciding whether or not to participate in the Retail Entitlement Offer.

This Retail Entitlement Offer is not being made under a prospectus. This Retail Offer Booklet does not contain all of the information which would be required to be disclosed in a prospectus. As a result, it is important for you to read and understand this Retail Offer Booklet in its entirety, along with the publicly available information on Coventry and the Entitlement Offer (for example, the information available on the ASX's website www.asx.com.au) prior to deciding whether to accept your Entitlement and apply for New Shares.

If you are in doubt as to the course you should follow, you should seek appropriate professional advice before making an investment decision.

2. Consider the Retail Entitlement Offer in light of your particular investment objectives and circumstances

Please consult with your stockbroker, accountant or other independent professional adviser if you have any queries or are uncertain about any aspects of the Retail Entitlement Offer.

An investment in New Shares is subject to both known and unknown risks, some of which are beyond the control of Coventry. These risks include the possible loss of income and principal invested. Coventry does not guarantee any return or any particular rate of return or the performance on the New Shares offered under the Retail Entitlement Offer or the performance of Coventry, nor does it guarantee the repayment of capital from Coventry. In considering an investment in New Shares, investors should have regard to (among other things) the "Risk Factors" section in the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet.

3. Decide what you want to do

If you are an Eligible Retail Shareholder, you have three options available to you in relation to the Retail Entitlement Offer:

1. take up all of your Entitlement (refer to Section 2.2);
2. take up part of your Entitlement (refer to Section 2.2); or
3. do nothing and allow your Entitlement to lapse (refer to Section 2.3).

Ineligible Shareholders may not take up any of their Entitlements.

Eligible Retail Shareholders who take up their Entitlement in full may also apply for Additional New Shares in excess of their Entitlement. If there is sufficient shortfall available, Shareholders who apply for Additional New Shares will be issued those Additional New Shares in full. If there is insufficient shortfall available, then Shareholders will receive Additional New Shares on a proportionate share of the shortfall having regard to their holdings as at the Record Date, provided that no Eligible Shareholder is permitted to increase its relevant interest to more than 20% of the Shares on issue following the Entitlement Offer, or if already more than 20% then no increase is permitted. If any shortfall remains, it will be allocated at the discretion of the Board and the Underwriter and may be subject to scale back.

Eligible Retail Shareholders who do not participate in the Retail Entitlement Offer, or participate for an amount less than their full Entitlement will have their percentage holding in Coventry reduced. Eligible Retail Shareholders who participate in the Retail Entitlement Offer will see their percentage holding in Coventry reduce, increase or stay the same depending on the proportion of their Entitlement they subscribe for and the Additional New Shares applied for and allocated to them.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

4. Apply for New Shares

To participate in the Retail Entitlement Offer, please complete and lodge a valid Entitlement and Acceptance Form and Application Monies for New Shares, or make a payment by BPAY®, so that it is received by 5.00pm (Melbourne time) on 21 February 2019 pursuant to the instructions set out on the Entitlement and Acceptance Form.

If you take no action your Entitlement under the Retail Entitlement Offer will lapse.

5. Questions

If you have any questions about the Retail Entitlement Offer, please do not hesitate to contact Coventry's Offer Information Line on 1300 763 414 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday during the Retail Offer Period.

Section 1 - Overview of the Offer

1.1 Overview

Coventry intends to raise approximately \$27.6 million through the underwritten Entitlement Offer, which comprises the Institutional Entitlement Offer and the Retail Entitlement Offer.

Under the Entitlement Offer, Coventry is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 1.37 Shares held on the Record Date. The Issue Price per New Share is \$0.75.

The Entitlement Offer is non-renounceable, which means that the Entitlements cannot be traded or otherwise transferred on the ASX or any other exchange or privately. If you do not participate in the Entitlement Offer, you will not receive any value for your Entitlement.

Please refer to the ASX Announcement and the Investor Presentation annexed to this Retail Offer Booklet for information on the rationale of the Entitlement Offer, the use of the proceeds of the Entitlement Offer, and for further information on Coventry and its strategy.

1.2 Institutional Entitlement Offer

On 5 February 2019, Eligible Institutional Shareholders were given the opportunity to take up all or part of their Entitlement under the Institutional Entitlement Offer. The Institutional Entitlement Offer is anticipated to raise approximately \$14.8 million at an issue price of \$0.75 per Share.

New Shares equivalent to the number not taken up by Eligible Institutional Shareholders under the Institutional Entitlement Offer were offered to Eligible Institutional Shareholders who applied for New Shares in excess of their Entitlement.

1.3 Retail Entitlement Offer

Under the Retail Entitlement Offer, Eligible Retail Shareholders are being invited to subscribe for all or part of their Entitlement and are being sent this Retail Offer Booklet with a personalised Entitlement and Acceptance Form.

Coventry is also offering Eligible Retail Shareholders the opportunity to apply for Additional New Shares in excess of their Entitlement. If there is sufficient shortfall available, Shareholders who apply for Additional New Shares will be issued those Additional New Shares in full. If there is insufficient shortfall available, then Shareholders will receive Additional New Shares on a proportionate share of the shortfall having regard to their holdings as at the Record Date, provided that no Eligible Shareholder is permitted to increase its relevant interest to more than 20% of the Shares on issue following the Entitlement Offer, or if already more than 20% then no increase is permitted. If any shortfall remains, it will be allocated at the discretion of the Board and the Underwriter and may be subject to scale back. Allotment of Additional New Shares (if any) will take place along with allotment of New Shares offered under the Retail Entitlement Offer on 28 February 2019.

The Retail Entitlement Offer constitutes an offer only to Eligible Retail Shareholders, being Shareholders on the Record Date who have a registered address in Australia or New Zealand and are eligible under all applicable laws to receive an offer under the Retail Entitlement Offer. A person in the United States or acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States) or an Institutional Shareholder (other than a nominee to the extent that the nominee holds Shares on behalf of an Eligible Retail Shareholder) is not entitled to participate in the Retail Entitlement Offer.

Determination of eligibility of investors for the purposes of the Entitlement Offer is by reference to a number of matters, including legal requirements and the discretion of Coventry and the Underwriter. Coventry and the Underwriter disclaim any liability in respect of the exercise or otherwise of that discretion, to the maximum extent permitted by law.

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on 21 February 2019, with New Shares expected to be allotted on 28 February 2019.

The Retail Entitlement Offer is underwritten by the Underwriter, and seeks to raise approximately \$12.8 million (less expenses). The Issue Price under the Retail Entitlement Offer is the same as the Issue Price under the Institutional Entitlement Offer.

1.4 Ranking of New Shares

New Shares will rank equally with existing Shares.

1.5 Reconciliation and fractional entitlements

In any entitlement offer, investors may believe that they own more or fewer existing Shares on the Record Date than they ultimately do. This could potentially result in the requirement for reconciliation to ensure all Eligible Retail Shareholders have the opportunity to receive their full Entitlement. If this is required, it is possible that Coventry may need to issue a small quantity of additional New Shares to ensure all Eligible Institutional Shareholders and Eligible Retail Shareholders have the opportunity to receive their full Entitlement. The price at which these Shares will be issued will be the same as the Issue Price. Coventry also reserves the right to reduce the number of New Shares allocated to Eligible Shareholders or persons claiming to be Eligible Shareholders, if their Entitlement claims prove to be overstated, or if they or their nominees fail to provide information requested to substantiate their Entitlement claims, or if they are indeed not Eligible Shareholders.

To the extent that the application of the offer ratio of 1 New Share for every 1.37 existing Shares held on the Record Date results in a fractional entitlement to New Shares for a particular Shareholder, that Shareholder's Entitlement shall be rounded up to the next higher whole number of New Shares.

1.6 Quotation and trading

Coventry will apply to ASX for the official quotation of the New Shares in accordance with ASX Listing Rule requirements. Subject to approval being granted, it is expected that normal trading of New Shares:

- allotted under the Institutional Entitlement Offer will commence on 15 February 2019; and
- allotted under the Retail Entitlement Offer (including any Additional New Shares) will commence on 1 March 2019.

1.7 Holding statements

Holding statements are expected to be despatched to Eligible Shareholders:

- on 18 February 2019 in respect of New Shares allotted under the Institutional Entitlement Offer; and
- on 4 March 2019 in respect of New Shares allotted under the Retail Entitlement Offer.

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It is the responsibility of each applicant to confirm their holding before trading in New Shares. Any applicant who sells New Shares before receiving confirmation of their holding in the form of their holding statement will do so at their own risk. Coventry and the Underwriter disclaim all liability whether in negligence or otherwise (and to the maximum extent permitted by law) to persons who trade New Shares before receiving their holding statements, whether on the basis of confirmation of the allocation provided by Coventry, the Registry or the Underwriter.

1.8 Withdrawal of the Entitlement Offer

Coventry reserves the right to withdraw the Entitlement Offer at any time, in which case Coventry will refund any Application Monies already received in accordance with the Corporations Act and will do so without interest.

Section 2 -How to Apply – Eligible Retail Shareholders

2.1 Choices available to Eligible Retail Shareholders

Eligible Retail Shareholders may do any one of the following:

1. take up all of their Entitlement (refer to Section 2.2);
2. take up part of their Entitlement (refer to Section 2.2); or
3. do nothing and allow their Entitlement to lapse (refer to Section 2.3).

The Retail Entitlement Offer is a pro rata offer to Eligible Retail Shareholders only.

Coventry is also offering Eligible Retail Shareholders who take up all of their Entitlement the opportunity to apply for Additional New Shares in excess of their Entitlement (refer to Section 2.2).

2.2 Take up all or part of your Entitlement, or take up all of your Entitlement and apply for Additional New Shares in excess of your Entitlement

If you wish to take up your Entitlement in full or in part, or in full and apply for Additional New Shares in excess of your Entitlement, there are two different ways you can submit your Application and Application Monies.

2.2.1 Payment via BPAY®

For payment by BPAY®, please follow the instructions set out on the personalised Entitlement and Acceptance Form. You can only make payment by BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions.

Please visit www.asx.com.au to download and print an electronic copy of the Retail Offer Booklet. You may only download an electronic copy of the Retail Offer Booklet if you are a resident of Australia and access the website from within Australia.

You may apply for New Shares online and pay your Application Monies by BPAY®. Applicants wishing to pay by BPAY® should complete the online Entitlement and Acceptance Form accompanying the electronic version of this Retail Offer Booklet which is available at www.investorcentre.com/au and follow the instructions on the online Entitlement and Acceptance Form (which includes the Biller Code and your unique Customer Reference Number ("CRN")).

If you have multiple holdings and receive more than one personalised Entitlement and Acceptance Form, when taking up your Entitlement in respect of one of those holdings, only use the CRN specific to that holding. If you do not use the correct CRN specific to that holding, your Application will not be recognised as valid and may be rejected.

Applicants should be aware that their own financial institution may implement earlier cut off times with regards to electronic payment, and should therefore take this into consideration when making payment of Application Monies.

To apply and pay via BPAY®, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary; and
- make your payment in respect of the full Application Monies via BPAY® for the number of New Shares you wish to subscribe for (being the Issue Price of \$0.75 per New Share multiplied by the number of New Shares (including your Entitlement and any Additional New Shares) you are applying for) so that it is received by no later than the Retail Closing Date, being 5.00pm (Melbourne time) on 21 February 2019.

If you choose to pay via BPAY® you are not required to submit the Entitlement and Acceptance Form but are taken to make the statements on that form and representations outlined below in Section 2.4, including the Eligible Retail Shareholder declarations included on pages 33 and 34 of this Retail Offer Booklet and referred to in the Entitlement and Acceptance Form.

If you take up all or part of your Entitlement (or all of your Entitlement and apply for Additional New Shares) and your payment of the Application Monies is received in cleared funds by the Retail Closing Date, being 5.00pm (Melbourne time) on 21 February 2019, New Shares (and Additional New Shares) are expected to be allotted to you on the Allotment Date being 28 February 2019. Your payment of the Application Monies will not be accepted after the Retail Closing Date, being 5.00pm (Melbourne time) on 21 February 2019, and no New Shares (or Additional New Shares) will be issued to you in respect of such late Application.

If the amount of Application Monies is insufficient to pay in full for the number of New Shares you applied for, you will be taken to have applied for such whole number of New Shares which is covered in full by your Application Monies. Alternatively, your application will be rejected.

If there is sufficient shortfall available, Shareholders who apply for Additional New Shares will be issued those Additional New Shares in full. If there is insufficient shortfall available, then Shareholders will receive Additional New Shares on a proportionate share of the shortfall having regard to their holdings as at the Record Date, provided that no Eligible Shareholder is permitted to increase its relevant interest to more than 20% of the Shares on issue following the Entitlement Offer, or if already more than 20% then no increase is permitted. If any shortfall remains, it will be allocated at the discretion of the Board and the Underwriter and may be subject to scale back.

If you apply for Additional New Shares in excess of your Entitlement and you are not allocated all or some of the Additional New Shares applied for, the relevant Application Monies will be refunded to you after the Allotment Date in accordance with the Corporations Act, without interest being payable.

2.2.2 *Submit your completed Entitlement and Acceptance Form together with cheque, bank draft or money order for all Application Monies*

To apply and pay by cheque, bank draft or money order, you should:

- read this Retail Offer Booklet and the Entitlement and Acceptance Form in their entirety and seek appropriate professional advice if necessary;
- complete the personalised Entitlement and Acceptance Form accompanying this Retail Offer Booklet in accordance with the instructions set out on that form, and indicate the number of New Shares you wish to subscribe for; and
- return the completed Entitlement and Acceptance Form to the Registry (address details below) together with a cheque, bank draft or money order which must be:
 - in respect of the full Application Monies (being \$0.75 multiplied by the number of New Shares (including your Entitlement and any Additional New Shares) you wish to subscribe for);
 - in Australian currency drawn on an Australian bank; and
 - made payable to 'Coventry Group Limited' and crossed 'Not Negotiable'.

You should ensure that sufficient funds are held in relevant account(s) to cover the full Application Monies as your cheque will be processed on the day of receipt.

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

If you apply and pay by cheque, bank draft or money order, your Entitlement and Acceptance Form and your Application Monies in cleared funds must be received by the Registry by no later than 5.00pm (Melbourne time) on 21 February 2019 and New Shares (and Additional New Shares) will be allotted to you on the Allotment Date being 28 February 2019. Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted after the Retail Closing Date, being 5.00pm (Melbourne time) on 21 February 2019 and no New Shares (or Additional New Shares) will be issued to you in respect of such late Application.

If the amount of Application Monies is insufficient to pay in full for the number of New Shares you applied for, you will be taken to have applied for such whole number of New Shares which is covered in full by your Application Monies. Alternatively, your application will be rejected.

If you apply for Additional New Shares in excess of your Entitlement and you are not allocated all or some of the Additional New Shares applied for, the relevant Application Monies will be refunded to you after the Allotment Date in accordance with the Corporations Act, without interest being payable.

You need to ensure that your completed Entitlement and Acceptance Form and cheque, bank draft or money order in respect of the full Application Monies reaches the Registry in sufficient time so that they are received by no later than 5.00pm (Melbourne time) on the Retail Closing Date being 21 February 2019 at the following address:

Postal Address:

BY MAIL

Return your cheque with the below payment slip to:

*Computershare Investor Services Pty Limited
GPO BOX 505
Melbourne Victoria 3001 Australia*

Entitlement and Acceptance Forms (and payments for any Application Monies) will not be accepted at Coventry's registered or corporate offices.

For the convenience of Eligible Retail Shareholders, an Australian reply paid envelope addressed to the Registry has been enclosed with this Retail Offer Booklet.

Note that if you have more than one holding of Shares, you will be sent more than one personalised Entitlement and Acceptance Form and you will have separate Entitlements for each separate holding. A separate Entitlement and Acceptance Form and payment of Application Monies must be completed for each separate Entitlement you hold.

2.2.3 Refund of Application Monies

Any Application Monies received for more than your final allocation of New Shares and Additional New Shares will be refunded as soon as practicable after allotment. No interest will be paid to applicants on any Application Monies received or refunded.

2.3 Take no action and allow all of your Entitlement to lapse

If you are an Eligible Retail Shareholder and you do nothing, the Entitlements in respect of your Shares will lapse. Your Entitlement to participate in the Retail Entitlement Offer is non-renounceable and will not be tradeable or otherwise transferable. Shareholders who do not take up their Entitlements in full will not receive any payment or value for those Entitlements they do not take up.

You should also note that, if you do not take up all or part of your Entitlement, then your percentage holding in Coventry will be diluted to the extent that New Shares are issued to other Shareholders and Institutional Investors.

2.4 Implications of making an Application

Returning a completed Entitlement and Acceptance Form or paying any Application Monies for New Shares via BPAY® will be taken to constitute a representation by the Eligible Retail Shareholder that they:

- have received a copy of this Retail Offer Booklet accompanying the Entitlement and Acceptance Form, and have read them in their entirety;
- make the Eligible Retail Shareholder declarations included on pages 33 and 34 of this Retail Offer Booklet and referred to in the Entitlement and Acceptance Form; and
- acknowledge that once the Entitlement and Acceptance Form is returned, or a BPAY® payment is made in relation to any Application Monies, the Application may not be varied or withdrawn except as required by law.

2.5 Enquiries

This Retail Offer Booklet and the Entitlement and Acceptance Form that accompanies it contain important information. You should read both documents in their entirety before deciding whether or not to participate in the Retail Entitlement Offer. If you:

- have questions in relation to the existing Shares upon which your Entitlement has been calculated;
- have questions on how to complete the Entitlement and Acceptance Form or take up your Entitlement; or
- you have lost your Entitlement and Acceptance Form and would like a replacement form,

please call Coventry's Offer Information Line on 1300 763 414 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday during the Retail Offer Period. If you have further questions you should contact your professional adviser.

Section 3 -Taxation

3.1 General

The section below provides a general summary of the Australian income tax, capital gains tax (**CGT**), goods and services tax (**GST**) and stamp duty implications of the Retail Entitlement Offer for certain Eligible Retail Shareholders.

The comments in this section deal only with the Australian taxation implications of the Retail Entitlement Offer if you:

- are a resident for Australian income tax purposes; and
- hold your Shares on capital account.

The comments do not apply to you if you:

- are not a resident for Australian income tax purposes;
- hold your Shares as revenue assets or trading stock (which will generally be the case if you are a bank, insurance company or carry on a business of share trading);
- are subject to the 'TOFA provisions' in Division 230 of the *Income Tax Assessment Act 1997* in relation to the Shares; or
- acquired the Shares in respect of which the Entitlement Offer is issued under any employee share scheme or where the New Shares are acquired pursuant to any employee share scheme.

The taxation implications of the Retail Entitlement Offer will vary depending upon your particular circumstances. Accordingly, you should seek and rely upon your own professional advice before concluding on the particular taxation treatment that will apply to you.

Coventry and its officers, employees, taxation or other advisers do not accept any liability or responsibility in respect of any statement concerning taxation consequences, or in respect of the taxation consequences.

This taxation summary is necessarily general in nature. It is not, nor should it be relied upon as, tax advice or financial product advice. It is strongly recommended that each Eligible Retail Shareholder seeks their own independent professional tax advice applicable to their particular circumstances.

3.2 Issue of Entitlements

The issue of the Entitlements should not, of itself, result in any amount being included in your assessable income.

3.3 Exercise of Entitlements

Eligible Retail Shareholders who exercise their Entitlements will acquire New Shares. No assessable income or capital gain should arise for you on the exercise (i.e. taking up) of your Entitlements.

The New Shares will constitute an asset for CGT purposes.

The total CGT cost base of the New Shares should include the Issue Price for the New Shares plus certain non-deductible incidental costs incurred in acquiring the New Shares.

The New Shares will be taken to be acquired on the day that the Entitlement in respect of the New Share is exercised.

3.4 Acquiring Additional New Shares

No assessable income or capital gain should arise for you from acquiring Additional New Shares.

The total CGT cost base for the Additional New Shares acquired should be determined in the same manner as for New Shares acquired on exercise of your Entitlements.

The Additional New Shares will be taken to have been acquired for CGT purposes on the day the Additional New Shares are issued to you.

3.5 Distributions on New Shares and Additional New Shares

Future distributions made in respect of New Shares and Additional New Shares will be subject to the same income taxation treatment as distributions made on existing Shares held in the same circumstances.

3.6 Disposal of New Shares and Additional New Shares

On disposal of a New Share or an Additional New Share (referred to in this section as a Share), you will make a capital gain if the capital proceeds on disposal exceed the total CGT cost base of the Share. You will make a capital loss if the capital proceeds are less than the total CGT cost base of the Share.

The disposal of a Share will constitute a disposal for CGT purposes.

Individuals, complying superannuation entities or trustees that have held Shares for at least 12 months (not including the dates of acquisition and disposal of the Shares) should be entitled to discount the amount of any capital gain resulting from the disposal of the Shares (after the application of any current year or carry forward capital losses).

The CGT discount applicable is currently one-half for individuals and trustees and one-third for complying superannuation entities. The CGT discount is not available for companies that are not acting as trustee for another entity. Trustees should seek specific tax advice regarding the tax consequences arising to beneficiaries because of the CGT discount.

If a capital loss arises on disposal of the Shares, the capital loss can only be used to offset capital gains, i.e. the capital loss cannot be used to offset ordinary income. If the capital loss cannot be used in a particular income year, it can be carried forward to future income years and provided certain tests are satisfied, can offset future capital gains.

3.7 Entitlements not taken up

As described in Section 2.3 above, any Entitlement not taken up under the Retail Entitlement Offer will lapse and the Eligible Retail Shareholder will not receive any consideration for those Entitlements. In these circumstances, there should not be any tax implications for the Eligible Retail Shareholder.

3.8 Tax file number and Australian business number withholding

If a Shareholder has provided their Australian business number (**ABN**), tax file number (**TFN**) or claimed an exemption from quoting their TFN in respect of an existing Share, this will also apply in respect of any New Shares or Additional New Shares acquired by that Shareholder.

If a Shareholder has not provided their ABN, TFN or claimed an exemption, income tax may be required to be deducted and withheld by Coventry from any distributions at the highest marginal tax rate plus the Medicare levy.

3.9 Other Australian taxes

No Australian GST or stamp duty will be payable by Eligible Retail Shareholders in respect of the issue or exercise of the Entitlements or the acquisition of New Shares or Additional New Shares.

Section 4 - Important Information for Shareholders

4.1 Retail Offer Booklet availability

Eligible Retail Shareholders with a registered address in Australia or New Zealand will receive a copy of this Retail Offer Booklet and their personalised Entitlement and Acceptance Form in the mail. Please read the Retail Offer Booklet and the Entitlement and Acceptance Form together in their entirety.

A copy of this Retail Offer Booklet can be obtained during the Retail Offer Period calling Coventry's Offer Information Line on 1300 763 414 (from within Australia) or +61 3 9415 4000 (from outside Australia) between 8.30am and 5.00pm (Melbourne time), Monday to Friday during the Retail Offer Period.

If this Retail Offer Booklet is being viewed electronically, please ensure that you download the Retail Offer Booklet in its entirety (including the annexures to this Retail Offer Booklet). Eligible Retail Shareholders can access their BPAY® details online when the Retail Entitlement Offer opens on 12 February 2019.

It is important to note that you will only be entitled to accept the Entitlement Offer by completing your personalised Entitlement and Acceptance Form which accompanies this Retail Offer Booklet, or by making a payment of Application Monies via BPAY® using the information contained on your personalised Entitlement and Acceptance Form (see Section 2.2 for further information). Please carefully read the instructions on the accompanying Entitlement and Acceptance Form.

Shareholders in foreign jurisdictions (being jurisdictions outside of Australia or New Zealand) should refer to Section 4.9.

4.2 Ineligible Retail Shareholders

The Company has determined, pursuant to Listing Rule 7.7.1(a) of the ASX Listing Rules and section 9A(3)(a) of the Corporations Act, that it would be unreasonable to make offers to shareholders in countries other than Australia or New Zealand in connection with the Retail Entitlement Offer, having regard to:

- (a) the relatively small number of shareholders in the other jurisdictions where the Retail Entitlement Offer would be made;
- (b) the number and value of shares for which such shareholders would otherwise have been entitled; and
- (c) the costs of complying with the legal and regulatory requirements in each other jurisdiction where the Retail Entitlement Offer would be made.

An Eligible Retail Shareholder is a holder of existing Shares who:

- (a) was a registered holder of existing Shares as at 7.00pm (Melbourne time) on the Record Date;
- (b) has a registered address in Australia or New Zealand;
- (c) is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds shares in the Company for the account or benefit of such person in the United States);

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- (d) is not an Eligible Institutional Shareholder (other than a nominee to the extent that the nominee also holds existing Shares on behalf of an Eligible Retail Shareholder); and
 - (e) is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Ineligible Retail Shareholders do not satisfy the criteria for an Eligible Retail Shareholder, and therefore the Company is unable to extend to Ineligible Retail Shareholders the opportunity to participate in the Retail Entitlement Offer.

Determination of eligibility of investors for the purposes of the Retail Entitlement Offer is determined by the Company with reference to a number of matters. The Underwriter and their affiliates and related bodies corporate and each of their directors, officers, partners, employees, advisers and agents disclaim any liability in respect of any determination as to eligibility, to the maximum extent permitted by law.

The Company has appointed the Underwriter as a nominee approved by ASIC under section 615 of the Corporations Act in respect of Ineligible Retail Shareholders:

- (a) The Company has appointed the Underwriter as a nominee approved by ASIC under section 615 of the Corporations Act in respect of Ineligible Retail Shareholders.
- (b) The Company will issue to the Underwriter the New Shares that Ineligible Retail Shareholders would otherwise have been entitled to apply for had they been entitled to participate in the Retail Entitlement Offer.
- (c) The Underwriter is permitted to sell the Ineligible Retail Shareholders' New Shares in such manner and at such time as it sees fit, with the objective of achieving the best price for those New Shares that is reasonably obtainable on market at the time of the relevant sale, however the Underwriter is not responsible for achieving any particular price for the New Shares or achieving the sale in any particular timeframe.
- (d) On the earlier of the time that all the Ineligible Entitlement Shares have been sold and the close of trading on the closing date under the Retail Entitlement Offer, the Underwriter must transfer the sale proceeds into a nominee facility account (net of the Underwriter's expenses).
- (e) The Underwriter must then distribute to each of those Ineligible Retail Shareholders their proportion of the proceeds in the nominee facility account.

Ineligible Retail Shareholders should note that none of the Company or the Underwriter is acting as their agent and that there is no guarantee that any net proceeds will be realised from the sale of entitlements under Section 615 of the Corporations Act.

There is no guarantee that Ineligible Retail Shareholders will receive any proceeds as a result of this foreign sale facility. The ability to sell rights under the foreign sale facility and the price that may be obtained for them will be dependent on various factors, including market conditions. To the maximum extent permitted by law, neither the Company, nor the Underwriter, nor their respective agents or affiliates, will be liable for any failure to sell rights under the foreign sale facility at a particular price or in a particular time frame.

4.3 Continuous disclosure requirements

Under the Corporations Act, Coventry is considered a disclosing entity and is subject to ongoing reporting and disclosure obligations under the Corporations Act and the ASX Listing Rules, including the preparation of annual reports and half yearly reports.

Under the ASX Listing Rules, Coventry has an obligation (subject to certain exceptions) to notify the ASX immediately of any information of which it is or becomes aware which a reasonable person would expect to have a material effect on the price or value of its Shares. Such information is available to the public from the ASX at www.asx.com.au.

Coventry is also required to lodge certain documents with ASIC. Such documents can be inspected and obtained from an ASIC office.

4.4 Retail Offer Booklet does not constitute investment advice

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

4.5 Risks factors

The Investor Presentation details important factors and risks that could affect the financial and operating performance of Coventry. Please refer to the "Risk Factors" section of the Investor Presentation for details. When making an investment decision in connection with this Retail Entitlement Offer, it is essential that you consider these risk factors carefully in light of your individual personal circumstances, including financial and taxation issues (some of which have been outlined in Section 3 of this Retail Offer Booklet).

4.6 No authorisation beyond information contained within this Retail Offer Booklet

Any information or representation not contained in this Retail Offer Booklet may not be relied on as having been authorised by Coventry in connection with the Entitlement Offer. No person is authorised to give any information or make any representation in connection with the Entitlement Offer, which is not contained in this Retail Offer Booklet.

4.7 No cooling-off rights

Cooling-off rights do not apply to a subscription for New Shares under the Entitlement Offer. This means that you cannot withdraw your Application once it has been accepted.

4.8 Forward-looking statements

No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Retail Offer Booklet, or any events or results expressed or implied in any forward-looking statement. These statements can generally be identified by the use of words such as "anticipate", "expect", "believe", "project", "forecast", "estimate", "likely", "intend", "should", "could", "may", "target", "predict", "guidance", "plan", "potential" and other similar expressions. Indications of, and guidance on, future earnings and financial position and performance are also forward-looking statements. Such forward-looking statements are not guarantees of future performance and are by their nature inherently uncertain and are based on future events which may or may not be correct, assumptions and estimates which are subject to certain risks, uncertainties and change without notice. Actual results or events may differ materially from any expressed or implied in any forward-looking statement and deviations are normal and to be expected. Past performance is not a reliable indicator of future performance. Please refer to the "Risk Factors" section of the Investor Presentation and the disclaimers outlined in this Retail Offer Booklet for more information.

4.9 Offer jurisdictions – restrictions and limitations

The Retail Entitlement Offer will not be made to Shareholders with registered addresses outside Australia and New Zealand. This document does not constitute an offer or invitation in any place in which, or to any person to whom, it would not be lawful to make such an offer or invitation. Return of the Entitlement and Acceptance Form or payment of Application Monies by BPAY® shall be taken by Coventry to constitute a representation by you that there has been no breach of any such laws.

The New Shares are not being offered to the public within New Zealand other than to existing Shareholders of Coventry with registered addresses in New Zealand to whom the offer of these New Shares is being made in reliance on the Financial Markets Conduct Act 2013 (New Zealand) and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016 (New Zealand).

This Retail Offer Booklet has been prepared in compliance with Australian law and has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (New Zealand). This document is not a product disclosure statement, investment statement or prospectus under New Zealand law and is not required to, and may not, contain all the information that a product disclosure statement, investment statement or prospectus under New Zealand law is required to contain.

The distribution of this document outside Australia and New Zealand may be restricted by law. If you come into possession of this document you should observe any such restrictions and should seek your own advice on those restrictions. A failure to comply with such restrictions may contravene applicable securities laws.

4.10 United States

This Retail Offer Booklet, and any accompanying ASX announcements and the Entitlement and Acceptance Form, do not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States.

The New Shares have not been, nor will be, registered under the US Securities Act or the securities laws of any state or other jurisdiction of the United States. The New Shares may not be offered, sold or resold in the United States or to persons acting for the account or benefit of a person in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States. The New Shares in the Retail Entitlement Offer will only be offered and sold in 'offshore transactions' (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act. Because of these legal restrictions, you must not distribute or send this Retail Offer Booklet or the Entitlement and Acceptance Form, or copies thereof, or any other material relating to the Retail Entitlement Offer to any person in the United States.

4.11 Notice to nominees and custodians

The Retail Entitlement Offer is being made to all Eligible Retail Shareholders. Nominees with registered addresses in the eligible jurisdictions, irrespective of whether they participate under the Institutional Entitlement Offer, may also be able to participate in the Retail Entitlement Offer in respect of some or all of the beneficiaries on whose behalf they hold Shares, provided that the applicable beneficiary would satisfy the criteria for an Eligible Retail Shareholder.

Nominees and custodians who hold Shares as nominees or custodians will have received, or will shortly receive, a letter from Coventry in respect of the Entitlement Offer. Nominees and custodians should carefully consider the contents of that letter and note in particular that the Retail Entitlement Offer is not available to, and they must not purport to accept the Retail Entitlement Offer in respect of:

- beneficiaries on whose behalf they hold Shares who would not satisfy the criteria for an Eligible Retail Shareholder;
- Eligible Institutional Shareholders who were invited to participate in the Institutional Entitlement Offer (whether they accepted their Entitlement or not);
- Ineligible Shareholders who were ineligible to participate in the Institutional Entitlement Offer; or
- Shareholders who are not eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

Due to legal restrictions, nominees and custodians may not send copies of this Retail Offer Booklet or accept the Retail Entitlement Offer on behalf of any person in the United States or any other jurisdiction outside Australia or New Zealand, except as Coventry may otherwise permit in compliance with applicable law.

Coventry is not required, and does not undertake to, determine whether or not any Shareholder or investor is acting as a nominee or custodian or the identity or residence of any beneficial owners of existing Shares.

4.12 Underwriting arrangements and fees

Bell Potter Securities Limited (**Underwriter**) is acting as underwriter, bookrunner and lead manager to the Entitlement Offer (**Offer**). Coventry has entered into an Underwriting Agreement with the Underwriter in respect of the Offer.

Coventry must pay to the Underwriter:

- an underwriting fee equal to 2.5% of the proceeds of the Institutional Entitlement Offer and the Retail Entitlement Offer; and
- a selling fee equal to 2.0% of the proceeds of the Institutional Entitlement Offer and the Retail Entitlement Offer, less subscriptions from certain major shareholders and the directors and their associates.

Coventry agrees to, within five Business Days after a written request, reimburse the Underwriter for all reasonable out-of-pocket expenses incurred in connection with the Offer, including, without limitation, all travel, roadshow, bookbuild and settlement out-of-pocket expenses and the fees and disbursements of its legal advisors up to \$20,000 and of any other advisor retained by the Underwriter (it being agreed that the retention of any such advisor will be made with the prior approval of Coventry), resulting from or arising out of the appointment of the Underwriter.

Subject to certain exceptions, Coventry has agreed to indemnify the Underwriter and its related bodies corporate, and its respective directors, officers and employees (each an **Indemnified Party**) from and against all losses suffered or incurred by an Indemnified Party, directly or indirectly, arising out of or in connection with the Offer or the Underwriting Agreement.

As is customary with these types of arrangements, the Underwriting Agreement contains representations and warranties and indemnities in favour of the Underwriters.

The Underwriter may, in certain circumstances, terminate its obligations under the Underwriting Agreement on the occurrence of certain termination events including, but not limited to, where:

- (a) (Acquisition) the share purchase deed between the vendors of the shares in Nubco and Coventry, or the Debt Facility Agreement between Coventry and its financier, is terminated, rescinded, repudiated or purported to be terminated, rescinded or repudiated, is amended in a material respect, or is or becomes void or voidable;
- (b) (delisting) ASX announces that the Company will be removed from the official list or that its Shares will be delisted or suspended from quotation by ASX for any reason (excluding any suspensions in place in connection with the Offer);
- (c) (market fall) at any time the S&P/ASX 200 Index falls to a level that is 10% or more below its level as at the close of business on the Trading Day prior to the date of this agreement and is at or below that level at the close of trading:
 - (i) on any Trading Day until 14 February 2019;
 - (ii) for 2 consecutive Trading Days during any time after 14 February 2019 and prior to 27 February 2019; or
 - (iii) on the Trading Day immediately prior to 27 February 2019.
- (d) (quotation) ASX does not, or states that it will not, agree to grant official quotation of all the Offer Shares on an unconditional basis (or on a conditional basis provided such condition would not, in the opinion of the Underwriter (acting reasonably), have a material adverse effect on the Offer) by 27 February 2019 or if permission for the official quotation of the Offer Shares, is granted before the date of allotment and issue of those Offer Shares, the approval is subsequently withdrawn, qualified (other than by way of customary conditions) or withheld;
- (e) (delay) any event specified in the Timetable which occurs:
 - (i) on or prior to 14 February 2019 is delayed for more than one Business Day; or
 - (ii) after 14 February 2019 is delayed for 2 or more Business Days,without the prior written consent of the Underwriter;

- (f) (capital structure) the Company alters its capital structure without the consent of the Underwriter;
- (g) * (forecasts) the Offer Documents include any forecast, expression of opinion, belief, intention or expectation which is not based on reasonable grounds (including having regard to ASIC Regulatory Guide 170);
- (h) (withdrawal) the Company withdraws the Offer or indicates that it does not intend to or is unable to proceed with the Offer or any part of it;
- (i) (Certificate) any certificate which is required to be furnished by the Company under this agreement is not furnished when required or a statement in that Certificate is false, misleading, untrue or incorrect in a material respect (including by omission);
- (j) (insolvency) any one of the following occurs:
- (i) the Company (or any of its material subsidiaries):
 - (A) being or stating that it is unable to pay its debts as and when they fall due; or
 - (B) failing to comply with a statutory demand;
 - (ii) any step being taken which will or is likely to result in any of the following (except, in the case of matters affecting related bodies corporate of the Company, as part of restructuring in the ordinary course of the Group's business):
 - (A) the appointment of a liquidator, provisional liquidator, administrator, receiver, receiver and manager or other similar official in relation to, or to any property of, the Company (or any of its material subsidiaries); or
 - (B) the Company (or any of its material subsidiaries) being wound up or dissolved or entering into a scheme, moratorium, composition or other arrangement with, or to obtain protection from, its creditors or any class of them or an assignment for the benefit of its creditors or any class of them;
 - (C) circumstances existing which would permit a presumption of insolvency in relation to the Company (or any of its material subsidiaries) under sub-section 459C(2) of the Corporations Act, or anything analogous or having a substantially similar effect occurring in relation to the Company (or any of its material subsidiaries), including under the laws of any other jurisdiction;
- (k) * (Material Adverse Change) there is a Material Adverse Change, or an event occurs which is likely to give rise to a Material Adverse Change;
- (l) (force majeure) there is an event or occurrence, including any statute, order, rule, regulation, directive or request of any Government Agency which makes it illegal for the Underwriter to satisfy an obligation under this agreement, or to market, promote, underwrite or settle the Offer;

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- (m) (Offer Materials) a statement contained in the Offer Materials is or becomes misleading or deceptive in a material respect (including by omission) or likely to mislead or deceive in a material respect, or the Offer Materials omit any material information they are required to contain (having regard to section 708AA of the Corporations Act and any other applicable requirements), or any expression of opinion or intention in the Offer Materials is not fairly and properly supportable in a material respect or there are no reasonable grounds for the making of any material statement in the Offer Materials relating to future matters;
 - (n) (waivers / modifications) ASX or ASIC withdraws or revokes the ASX Waivers or the ASIC Modifications or ASX or ASIC amends in a materially adverse respect the ASX Waivers or the ASIC Modifications;
 - (o) (fraud) the Company or any of its directors, Chairman, Chief Financial Officer or Chief Operating Officer are found to have engaged in any fraudulent conduct or activity whether or not in connection with the Offer;
 - (p) (indictable offence) a director or member of senior management of the Company is charged with an indictable offence relating to financial or corporate matters relating to the Company;
 - (q) (change in management) a change in the board of directors or senior management of the Company occurs;
 - (r) (investigation) any of the following:
 - (i) any person brings an application to the Takeovers Panel in relation to the Offer or the Company;
 - (ii) ASIC or any person, issues or threatens to issue proceedings in relation to the Offer or commences any formal inquiry or investigation into the Offer;
 - (iii) * ASIC or any other Government Agency commences or gives notice of an intention to commence a prosecution of the Company or any director or employee of the Company; or
 - (iv) * ASIC or any other Government Agency commences or gives notice of an intention to commence a hearing or investigation into the Company;
 - (s) * (breach) the Company is in breach of any terms and conditions of this agreement;
 - (t) * (representations) any representation or warranty is or becomes incorrect, untrue or misleading;
 - (u) * (information) the due diligence report produced by the due diligence committee, the diligence reports referred to in clause 3.1(d) or any information supplied by or on behalf of the Company to the Underwriter for the purposes of the Due Diligence Investigations, the Offer Materials or the Offer, is false, misleading or deceptive (including by omission), in each case when considered in its final form and in the light of all other information so supplied in writing to the Underwriter before the date of this agreement;
 - (v) * (Corrective Statement) an obligation arises on the Company to give ASX a notice in accordance with section 708AA(12)(a) of the Corporations Act (as included in the Corporations Act by ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84);

- (w) * (change in law) there is introduced, or there is a public announcement of a proposal to introduce, into the Parliament of Australia or any State of Australia a new law, or the Reserve Bank of Australia, or any Commonwealth or State authority, adopts or announces a proposal to adopt a new policy (other than a law or policy which has been announced prior to the date of this agreement) any of which does or is likely to prohibit or regulate the Offer, capital markets or stock markets;
- (x) * (change of control) a scheme of arrangement or reconstruction is announced by the Company, or another offer to Shareholders is announced by another person, which, is bona fide and is reasonably capable of being completed and which, if implemented, may result in a person and their associates acquiring a beneficial interest in, or voting power of, 50% or more of the interests in the Company;
- (y) * (charges) the Company (or any of its material subsidiaries) or the Sellers charge, or agrees to charge, the whole or a material part of the Company's (or any of its material subsidiaries') respective businesses or property other than:
- (i) a charge over any fees or commissions to which the Company (or any of its material subsidiaries) or the Sellers (as applicable) are or will be entitled;
 - (ii) as disclosed in the Offer Materials; or
 - (iii) as agreed with the Underwriter (acting reasonably), or as disclosed to the Underwriter prior to the date of this agreement;
- (z) (contravention of law) either:
- (i) * a contravention by the Company of the Corporations Act, its Constitution, any of the ASX Listing Rules, any other applicable law or regulation (as amended or varied) or order or request made by or on behalf of ASIC, ASX or any Government Agency;
 - (ii) * any aspect of the Offer does not comply with the Corporations Act or the ASX Listing Rules any other applicable laws, or the ASX Waivers; or
 - (iii) the Company is prevented from allotting and issuing the Offer Shares under the Listing Rules, applicable laws, an order of a court of competent jurisdiction or a Government Agency;
- (aa) (market disruption):
- (i) * trading of all securities quoted on ASX, the London Stock Exchange or the New York Stock Exchange is suspended or limited in a material respect;
 - (ii) * a general moratorium on commercial banking activities in Australia, the United States or the United Kingdom is declared by the relevant central banking authority in any of those countries or there is a material disruption in commercial banking or Share settlement or clearance services in any of those countries;
 - (iii) * any adverse change or disruption to the existing financial markets, political or economic conditions of Australia, Hong Kong, the European Union, the United States of America, the United Kingdom or the international financial markets or any change in national or international political, financial or economic conditions; or

- (iv) * hostilities not presently existing commence (whether war has been declared or not) or a major escalation in existing hostilities occurs (whether war has been declared or not) involving any one or more of Australia, New Zealand, the United States of America, the People's Republic of China, Russia, Japan, North Korea, the United Kingdom or any member state of the European Union.
- (bb) (debt facilities);
 - (i) any debt facility of the Company or Group Member is terminated by the lender or amended in a material respect without the Underwriter's prior written consent (such consent not to be unreasonably withheld or delayed);
 - (ii) a Group Member breaches, or defaults under, any provision, undertaking, covenant or ratio of a debt or financing arrangement or any related documentation to which that entity is a party; or
 - (iii) an event of default or review event has resulted in a lender or financier exercising its rights to accelerate or require repayment of the debt or financing or other similar event occurs under or in respect to any such debt or financing arrangement or related documentation.

Termination events marked with a "*" are subject to a materiality threshold in the actual and reasonable opinion of the Underwriter.

If the Underwriter terminates under the Underwriting Agreement, it will have no obligation to subscribe for Offer Shares under the Offer.

4.13 Control effect of the Entitlement Offer

(a) General

The potential effect that the issue of the New Shares under the Entitlement Offer will have on the control of the Company, and the consequences of that effect, will depend on a number of factors, including investor demand.

The maximum number of New Shares to be issued pursuant to the Entitlement Offer is approximately 36,834,991 New Shares. If each Eligible Shareholder elects to subscribe for all of the New Shares offered to them, or the Underwriter fulfils its commitment to fully underwrite the Entitlement Offer, then the issued capital of the Company following the Entitlement Offer will be approximately 87,298,928 Shares.

(b) Underwriter

The Underwriter has agreed to fully underwrite the Entitlement Offer. The Company also understands that the Underwriter has entered into sub-underwriting commitments in relation to its underwriting obligations. If the Underwriter fulfils its underwriting obligations where none of the sub-underwriters fulfil their sub-underwriting commitments, and:

- (i) all Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company;

- (ii) 50% of Shareholders take up their entitlements under the Entitlement Offer, then the Underwriter will receive approximately 18,417,495 New Shares (being 21.10% of shares on issue in the Company following the Entitlement Offer) and the interests of those Shareholders who do not take-up their entitlements under the Entitlement Offer will be diluted;
- (iii) if 25% of Shareholders take up their entitlements under the Entitlement Offer, then the Underwriter will receive approximately 27,626,243 New Shares (being 31.65% of shares on issue in the Company following the Entitlement Offer) and the interests of those Shareholders who do not take-up their entitlements under the Entitlement Offer will be diluted; and
- (iv) if no Shareholders take up their entitlements under the Entitlement Offer, then the Underwriter will receive approximately 36,834,991 New Shares (being 42.19% of the shares on issue in the Company following the Entitlement Offer and the interests of all Shareholders will be diluted.

(c) Viburnum Funds Pty Ltd

The Company has been advised by the Underwriter that the Company's largest shareholder, Viburnum Funds Pty Ltd (**Viburnum**), intends to take up its full entitlement under the Entitlement Offer, and has entered into an agreement to act as sub-underwriter for some of the Underwriter's obligations and apply for shortfall shares for up to 11,703,947 New Shares (approximately \$8.8 million) (**Viburnum Additional Shares**). As a result of this arrangement, if:

- (i) all Shareholders take up their entitlements under the Entitlement Offer and there is no shortfall under the Entitlement Offer, then neither the Underwriter nor Viburnum will be issued with New Shares under the Entitlement Offer as underwriter or sub-underwriter respectively; and
- (ii) there is a shortfall under the Entitlement Offer, subject to the terms of the underwriting agreement and the sub-underwriting agreement, Viburnum is expected to subscribe for New Shares up to a maximum of the Viburnum Additional Shares. The issue of New Shares to Viburnum under that arrangement will dilute the interests of the Company's other Shareholders. The potential control effect on the Company based on the various take up of New Shares by the Shareholders under the Entitlement Offer, and assuming that Viburnum takes up the maximum possible number of Viburnum Additional Shares, as follows:

Viburnum's voting power and number of Shares held in the Company							
	Current	At completion of the Entitlement Offer					
Take up by Shareholders other than Viburnum*	-	100%	80%	60%	40%	20%	0%
Viburnum's Shares after Entitlement Offer	10,590,716	18,321,166	24,142,074	29,962,982	30,025,112	30,025,112	30,025,112
Viburnum's Percentage after Entitlement Offer	20.99%	20.99%	27.64%	34.32%	34.39%	34.39%	34.39%

* Assumes that Viburnum takes up its entitlement of 20.99% (7,730,450 New Shares) in full

The level of take up in this table assumes Eligible Shareholders accept their entitlements at the different levels shown below:'

- (iii) 100% take up is calculated on the basis that all Shareholders (including Viburnum) take up 100% of their entitlements;
- (iv) 80% take up is calculated on the basis that the Shareholders other than Viburnum take up 80% of their entitlements, and Viburnum takes up all of its entitlement and 5,820,908 of the Viburnum Additional Shares;
- (v) 60% take up is calculated on the basis that the Shareholders other than Viburnum take up 60% of their entitlements, and Viburnum takes up all of its entitlement and 11,641,816 of the Viburnum Additional Shares;
- (vi) 40% take up is calculated on the basis that the Shareholders other than Viburnum take up 40% of their entitlements, and Viburnum takes up all of its entitlement and all of the Viburnum Additional Shares;
- (vii) 20% take up is calculated on the basis that the Shareholders other than Viburnum take up 20% of their entitlements, and Viburnum takes up all of its entitlement and all of the Viburnum Additional Shares, and the Underwriter/other sub-underwriters take up the balance of the shortfall; and
- (viii) 0% take up is calculated on the basis that the Shareholders other than Viburnum take up none of their entitlements, and Viburnum takes up all of its entitlement and all of the Viburnum Additional Shares, and the Underwriter/other sub-underwriters take up the balance of the shortfall.

4.14 Consents

Statements included in this Retail Offer Booklet, or any statement on which a statement in this Retail Offer Booklet is based, are not made by the directors, officers, employees, partners, agents and advisers of Coventry, but by Coventry itself.

To the maximum extent permitted by law each of these parties expressly disclaims and takes no responsibility for any statements in or omissions from this Retail Offer Booklet other than references to its name.

4.15 Governing law

This Retail Offer Booklet, the Entitlement Offer and the contracts formed on acceptance of the Entitlement and Acceptance Forms are governed by the law applicable in Victoria, Australia. Each Shareholder who applies for New Shares submits to the jurisdiction of the courts of Victoria, Australia.

ELIGIBLE RETAIL SHAREHOLDER DECLARATIONS

In making your application for New Shares as part of the Retail Entitlement Offer, you will be making the declarations to Coventry that you:

- have read and understand the Retail Offer Booklet and your personalised Entitlement and Acceptance Form in their entirety;
- agree to be bound by the terms of the Retail Entitlement Offer, the provisions of this Retail Offer Booklet and the constitution of Coventry;
- acknowledge the statement of risks in the "Risk Factors" section of the Investor Presentation included in Annexure B of this Retail Offer Booklet, and that investments in Coventry are subject to risks;
- authorise Coventry to register you as the holder of New Shares allotted to you under this Retail Entitlement Offer;
- declare that all details on the Entitlement and Acceptance Form are complete, accurate and up to date;
- are over 18 years of age and that you have full legal capacity and power to perform all your rights and obligations under the Entitlement and Acceptance Form;
- accept that there is no cooling off period under the Retail Entitlement Offer and that once Coventry receives either your personalised Entitlement and Acceptance Form, your payment of Application Monies via BPAY® or both, that you may not withdraw or change your Application;
- agree to apply for and be issued with up to the number of New Shares and Additional New Shares (if any) shown on the Entitlement and Acceptance Form, or for which you have submitted payment of Application Monies via BPAY®, at the Issue Price of \$0.75 per Share;
- authorise Coventry, the Underwriter, the Registry and respective officers or agents, to do anything on your behalf necessary for the New Shares to be issued to you, including to act on instructions of the Registry upon using the contact details set out in the Entitlement and Acceptance Form;
- authorise Coventry to correct any errors in your Entitlement and Acceptance Form or other forms provided by you;
- were the registered holder(s) at the Record Date of the Shares indicated on your Entitlement and Acceptance Form as being held by you on the Record Date;
- represent and warrant (for the benefit of Coventry, the Underwriter and their respective related bodies corporate and affiliates) that you did not receive an invitation to participate in the Institutional Entitlement Offer either directly or through a nominee, are not an Ineligible Shareholder and are otherwise eligible to participate in the Retail Entitlement Offer;
- acknowledge that the information contained in this Retail Offer Booklet and the Entitlement and Acceptance Form does not constitute investment advice, nor a recommendation that New Shares are suitable for you given your individual investment objectives, financial situation or particular needs;
- understand that this Retail Offer Booklet is not a prospectus or product disclosure statement, is given in the context of Coventry's past and ongoing continuous disclosure obligations under the Corporations Act and the ASX Listing Rules, and does not contain all of the information that you or your professional advisers would reasonably require for the purpose of making an informed assessment of:
 - the assets and liabilities, financial position and performance, profits and losses and prospects of Coventry; or
 - the rights and liabilities attaching to the New Shares.
- acknowledge that neither Coventry, its directors, officers, employees, agents, consultants nor advisers, nor the Underwriter, guarantee the performance of the New Shares offered under the Retail Entitlement Offer or the performance of Coventry, nor do they guarantee the repayment of capital from Coventry;

- represent and warrant that you are an Eligible Retail Shareholder and the law of any other jurisdiction does not prohibit you from being given the Retail Offer Booklet, the Entitlement and Acceptance Form, nor does it prohibit you from making an Application and you are otherwise eligible to participate in the Retail Entitlement Offer;
- represent and warrant that you are not in the United States and are not acting for the account or benefit of a person in the United States (to the extent you hold Shares for the account or benefit of such person in the United States) and are not otherwise a person to whom it would be illegal to make an offer of or issue of New Shares under the Retail Entitlement Offer and under any applicable laws and regulations;
- understand and acknowledge that the New Shares have not been, and will not be, registered under the US Securities Act or the securities laws of any state or other jurisdictions in the United States. The New Shares may not be offered, sold or resold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and the applicable securities laws of any state or other jurisdiction in the United States;
- are subscribing for or purchasing the New Shares in an "offshore transaction" (as defined in Rule 902(h) under the US Securities Act) in reliance on Regulation S under the US Securities Act;
- have not and will not send this Retail Offer Booklet or the Entitlement and Acceptance Form, or copies thereof, or any other material relating to the Retail Entitlement Offer to any person in the United States or any other country outside Australia and New Zealand;
- if you are acting as a nominee or custodian, each beneficial holder on whose behalf you are submitting the Entitlement and Acceptance Form is resident in Australia or New Zealand and is not in the United States or any other country and is not acting for the account or benefit of a person in the United States or any other country, and you have not sent this Retail Offer Booklet, the Entitlement and Acceptance Form or any information relating to the Retail Entitlement Offer to any such person;
- acknowledge that, if you decide to sell or otherwise transfer any New Shares, you will only do so in regular way transactions on the ASX where neither you nor any person acting on your behalf knows, or has reason to know, that the sale has been pre-arranged with, or that the purchaser is, a person in the United States;
- make all other representations and warranties set out in the Retail Offer Booklet; and
- agree to provide (and direct your nominee or custodian to provide) any requested substantiation of your eligibility to participate in the Retail Entitlement Offer and/or of your holding of Shares on the Record Date.

Glossary

Defined Term

Additional New Shares

Allotment Date

Application

Application Monies

ASIC

ASX

ASX Announcement

ASX Listing Rules

Board

Coventry or Company

Corporations Act

Eligible Institutional Shareholder

Eligible Retail Shareholder

Eligible Shareholder

Entitlement

Entitlement and Acceptance Form

Entitlement Offer

Ineligible Shareholder

Institutional Entitlement Offer

Meaning

New Shares in excess of a Shareholder's Entitlement.

28 February 2019.

an application for New Shares under the Retail Entitlement Offer.

monies received from an applicant in respect of their Application.

Australian Securities & Investments Commission.

ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates (ie the Australian Securities Exchange).

the announcement released to ASX on 5 February 2019 in relation to the Entitlement Offer and annexed as Annexure A to this Retail Offer Booklet.

the listing rules of ASX.

the board of directors of Coventry.

Coventry Group Limited (ACN 008 670 102) (ASX: CYG).

Corporations Act 2001 (Cth).

an Institutional Shareholder which has been invited to participate in the Institutional Entitlement Offer.

a Shareholder on the Record Date who:

- has a registered address in Australia or New Zealand;
- is not in the United States and is not acting for the account or benefit of a person in the United States (to the extent such person holds Shares for the account or benefit of such person in the United States);
- is not an Institutional Shareholder; and
- is eligible under all applicable securities laws to receive an offer under the Retail Entitlement Offer.

an Eligible Institutional Shareholder or an Eligible Retail Shareholder.

the entitlement to subscribe for 1 New Share for every 1.37 Shares held on the Record Date by Eligible Shareholders.

the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made.

the offer of New Shares under the Institutional Entitlement Offer and the Retail Entitlement Offer.

a Shareholder that is neither an Eligible Institutional Shareholder nor an Eligible Retail Shareholder.

the offer of New Shares to Eligible Institutional Shareholders and Institutional Investors, as described in Section 1.2.

Institutional Investor	a person: 1 in the case of a person with a registered address in Australia, who is an "exempt investor" as defined in ASIC Corporations (Non-Traditional Rights Issue) Instrument 2016/84; or 2 if outside Australia, to whom offers for issue of Shares may lawfully be made without the need for a prospectus or other disclosure document or other lodgement, registration, filing with or approval by a governmental agency (other than one with which Coventry is willing, in its absolute discretion, to comply).
Institutional Shareholder	a holder of Shares on the Record Date who is an Institutional Investor.
Investor Presentation	the investor presentation dated 5 February 2019 in relation to the Entitlement Offer and annexed as Annexure B to this Retail Offer Booklet.
Issue Price	the issue price per New Share, being \$0.75 per New Share.
Limited Parties	has the meaning in Section 4.12.
New Shares	Shares offered under the Entitlement Offer.
Nubco	Nubco Proprietary Limited ACN 009 543 248.
Offer Materials	has the meaning in Section 4.12.
Offer	has the meaning in Section 4.12.
Record Date	7.00pm (Melbourne time) on 8 February 2019.
Registry	Computershare Investor Services Pty Limited.
Retail Closing Date	5.00pm (Melbourne time), 21 February 2019.
Retail Entitlement Offer	the offer of New Shares to Eligible Retail Shareholders, as described in Section 1.3.
Retail Offer Booklet	this booklet dated 12 February 2019, including the ASX Announcement and the Investor Presentation.
Retail Offer Period	the period from the date the Retail Entitlement Offer opens until the Retail Closing Date.
Section	a section of this Retail Offer Booklet.
Share	a fully paid ordinary share in Coventry.
Shareholder	the registered holder of a Share.
Melbourne Time	Australian Eastern Daylight Time.
Underwriter	Bell Potter Securities Limited ACN 006 390 772.
Underwriting Agreement	the underwriting agreement between the Company and the Underwriter dated on or around the date of this Retail Offer Booklet, as described in Section 4.12.
US or United States	United States of America, its territories and possessions, any state of the United States and the District of Columbia.
US Securities Act	the US Securities Act of 1933, as amended.
Viburnum	Viburnum Funds Pty Ltd (ACN 126 348 990).

Corporate Directory

Coventry Group Limited Registered Office

235 Settlement Road
Thomastown, VIC 3074

Offer Information Line

1300 763 414 (toll free within Australia)
+61 3 9415 4000 (outside Australia)

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

Underwriter

Bell Potter Securities Limited
Level 29
101 Collins Street
Melbourne VIC 3000

Legal Adviser

HWL Ebsworth
Level 26
530 Collins Street
Melbourne VIC 3000

Registry

Computershare Investor Services Pty Limited
GPO BOX 505
Melbourne Victoria 3001 Australia

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ASX RELEASE

Not for release to US wire services or distribution in the United States

Underwritten \$27.6m equity raising to fund acquisition of Nubco

5 February 2019

Coventry Group Ltd (ASX: CYG) is pleased to announce that it has entered into an agreement to acquire all of the shares of Nubco Proprietary Limited (“Nubco”) funded through a combination of a fully underwritten equity raising, an issue of Coventry Group shares to the vendor and the company’s existing debt facility.

Highlights

- Coventry Group to acquire Tasmanian based Nubco for \$36.0m.
- Nubco is Tasmania’s largest independent supplier of industrial and hardware supplies.
- Nubco’s FY18 adjusted EBITDA of \$6.0m from \$39.4m of revenue.
- Nubco expands Coventry Group’s Tasmanian presence with an additional 7 stores.
- The acquisition will be funded through a fully underwritten pro rata 1 for 1.37 accelerated non-renounceable entitlement offer at \$0.75 per share to raise approximately \$27.6m before costs and debt through the company’s existing facility.

Coventry Group has entered into an agreement to acquire all of the shares of Nubco for \$36.0m, comprising \$34.2m in cash and \$1.8m in new Coventry Group shares. The acquisition is expected to complete on 1 March 2019.

Coventry Group Managing Director and CEO, Robert Bulluss, said:

“We are pleased to welcome Nubco into the Coventry Group. Nubco is an extremely well-run business that has delivered strong sales and earnings growth over the past ten years. The business is highly complementary to our Konnect Fasteners business and will lead to procurement cost savings for the combined group. The acquisition will add to Group profitability in FY19, allowing Coventry to accelerate the return to payment of dividends to shareholders and the utilisation of the Company’s tax losses.”

About Coventry Group

Coventry Group delivers innovative industrial solutions to the mining, construction and manufacturing sectors, supplying a range of fastening systems, cabinet hardware systems, hydraulics, lubrication, fire suppression, refuelling systems and products.

Coventry Group operates under two key business units; Trade Distribution (**TD**) and Cooper Fluid Systems (**CFS**) and operates from 68 locations across Australia and New Zealand.

About Nubco

Nubco is the largest independent Tasmanian hardware and industrial supplier in the industrial segment with seven locations across the State. Founded by Joe Krawczyk and Graham Foster in 1983, Nubco has grown to become one of the most iconic players in the Tasmanian industrial hardware and supply market. Nubco services trade, industrial and retail customers.

Nubco has achieved sales revenue growth of approximately 13% per annum between 2014 and 2018. In FY18, Nubco generated sales revenue of \$39.4m and EBITDA of \$6.0m. The acquisition represents a trailing multiple of 6.0x FY18 EBITDA and is projected to be EPS accretive in FY19.

This acquisition offers tangible synergies that will benefit Coventry Group's Australian-wide business, including procurement cost savings and knowledge transfer.

Coventry Group will operate Nubco as a stand-alone division to minimise integration risk and the division will continue to be run by Nubco's existing management team.

The Nubco acquisition is subject to the following two conditions precedent:

- Lease registrations relating to a retail site; and
- Coventry Group completing a capital raising to support the acquisition (further details of the acquisition funding are set out below).

Coventry Group may also elect not to proceed with the Nubco acquisition if a material adverse change occurs prior to completion.

Acquisition aligned with Coventry Group's strategy

Nubco represents a compelling acquisition opportunity that is consistent with Coventry Group's growth strategy and satisfies all of Coventry Group's key acquisition criteria:

- Industrial supply market exposure;
- >\$10m turnover;
- Profitable business;
- Disciplined approach to value;
- Management retention;
- Ability to adapt to ASX corporate culture;
- Clear post-acquisition integration and growth strategy; and
- Conservative funding strategy.

Acquisition funding

The cash component of the acquisition price will be funded by a pro rata accelerated non-renounceable entitlement offer to raise approximately \$27.6m ("Entitlement Offer"). The Entitlement Offer is fully underwritten by Bell Potter. Proceeds from the Entitlement Offer will be used to fund the acquisition of Nubco and related transaction costs. The balance of the acquisition price will be funded through the company's existing debt facility.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for 1 new Coventry Group fully paid share ("New Share") for every 1.37 existing Coventry Group shares held as at 7pm (AEDST) on Friday 8th February 2019 ("Record Date").

All shares offered will be issued at a price of \$0.75 per New Share, which represents:

- a 22.3% discount to the last closing price of \$0.965 on 5th February, 2019
- a 14.2% discount to the theoretical ex-rights price of \$0.8743 based on the last closing price of \$0.965 on 5th February, 2019
- a 18.0% discount to the 30 trading day Volume Weighted Average Price ("VWAP") up to and including 5th February 2019, of \$0.9145
- a 11.3% discount to the theoretical ex-rights price of \$0.8451 based on the 30 trading day VWAP up to and including 5th February, 2019 of \$0.9145

Approximately 36.8 million new Coventry Group shares will be issued under the Offer. Each New Share issued under the Offer will rank equally with existing Coventry Group shares on issue. Coventry Group will, upon issue of the New Shares under the Offer, seek quotation of the New Shares on the ASX.

Eligible institutional shareholders will be invited to participate in the accelerated institutional component of the Entitlement Offer ("Institutional Entitlement Offer"), which is expected to close on 7th February 2019.

The retail component of the Entitlement Offer ("Retail Entitlement Offer") will be open from 12th February 2019 to eligible retail shareholders in Australia and New Zealand on the Record Date. In addition to each shareholder's entitlement under the Retail Entitlement Offer, eligible retail shareholders will also be offered the opportunity to subscribe for additional New Shares to the extent there is a shortfall in the Retail Entitlement Offer. An offer booklet in respect of the Retail Entitlement Offer is expected to be mailed to eligible retail shareholders on 12th February 2019.

The Entitlement Offer is non-renounceable and entitlements will not be tradeable or otherwise transferrable.

The Coventry Group directors with an existing shareholding have indicated that they will take up their full entitlement under the Entitlement Offer. Viburnum Funds Pty Ltd, Coventry Group's largest shareholder owning approximately 21%, has entered into an agreement to sub-underwrite approximately \$8.0m of any shortfall associated with the Retail Entitlement Offer.

Offer timetable

An indicative timetable of key dates in relation to the Entitlement Offer is set out below.

Timetable		
1	ASX announcement of offer and trading halt	Tuesday, 5 th February 2019
2	Institutional Entitlement Offer and bookbuild	Tuesday, 5 th February 2019
3	ASX announcement of results of Institutional Entitlement Offer	Friday, 8 th February 2019
4	Trading halt lifted and return to trading on ASX	Friday, 8 th February 2019
5	Record date for participation in Entitlement Offer	7.00pm (AEDST) Friday, 8 th February 2019
6	Retail Entitlement Offer opens and despatch of Retail Offer Booklet	Tuesday, 12 th February 2019
7	Settlement of New Shares issued under Institutional Entitlement Offer	Thursday, 14 th February 2019
8	Allotment of New Shares issued under Institutional Entitlement Offer	Friday, 15 th February 2019
9	Retail Entitlement Offer closes	Thursday, 21 st February 2019
10	ASX announcement of results of Retail Entitlement Offer	Tuesday, 26 th February 2019
11	Settlement of Retail Entitlement Offer	Wednesday, 27 th February 2019
12	Allotment of New Shares issued under Retail Entitlement Offer shares	Thursday, 28 th February 2019
13	Normal trading resumes on all shares	Friday, 1 st March 2019

Note: The timetable above is indicative only and may be subject to change. Coventry Group reserves the right to amend any or all of these dates and times without notice, subject to the Corporations Act 2001, the ASX Listing Rules and other applicable laws. In particular, Coventry Group reserves the right to extend the closing date of the Entitlement Offer, to accept late applications under the Entitlement Offer (either generally or in particular cases) and to withdraw the Entitlement Offer without prior notice. Any extension of the closing date will have a consequential effect on the issue date of New Shares.

Further information

Further details of the Nubco acquisition and the Entitlement Offer are set out in the Investor Presentation also provided to the ASX today. The Investor Presentation contains important information including key risks and foreign selling restrictions with respect to the Entitlement Offer.

If you have any questions, you should seek advice from your stockbroker, accountant or other independent and appropriately licenced professional adviser. For further information about the Entitlement Offer you can call the Coventry Group Shareholder Information Line on 1300 763 414 (within Australia) or +61 3 9415 4000 (outside Australia) at any time between 8:30am and 5:00pm (AEDST) on Monday to Friday.

- END -

For further information contact:

Robert Bulluss
Chief Executive Officer

(03) 9205 8219

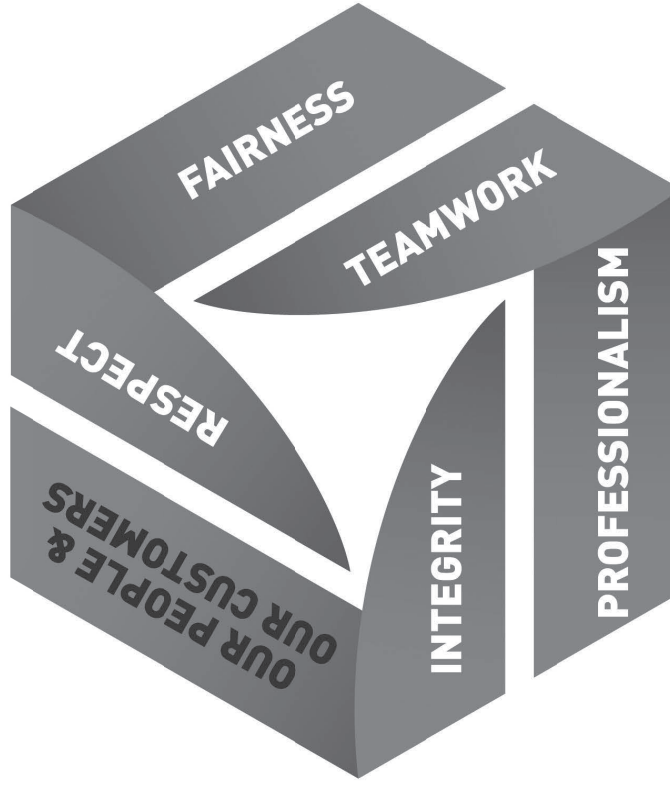
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Acquisition of Nubco and Capital Raising

Not for release to US wire services or distribution in the United States

5 February 2019



Important information and disclaimer

Important information and disclaimer

The information contained in this presentation (**Presentation**) has been prepared by Coventry Group Ltd ACN 008 670 102 (**CYG or Company**).

This Presentation has been prepared in relation to:

- CYG's acquisition of Nubco Proprietary Limited, a diversified industrial distribution company (**Acquisition**); and
- an accelerated non-renounceable entitlement offer of New Shares to be made to eligible institutional shareholders of CYG (**Institutional Entitlement Offer**) and eligible retail shareholders of CYG (**Retail Entitlement Offer**) under section 708AA of the *Corporations Act 2007* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non- Traditional Rights Issues) Instrument 2016/64 (**Offer**).

By receiving this Presentation, you are agreeing to the following restrictions and limitations.

This Presentation provides general background information about the Company which is current at the date this Presentation is made. This Presentation is not a prospectus, product disclosure statement or any other offering document under Australian law (and will not be lodged with the Australian Securities and Investments Commission (**ASIC**)) or any other law and does not require all material information which a prospective investor may require in evaluating a possible investment in the Company. This Presentation is for information purposes only and is not an invitation to acquire or offer of securities for subscription, purchase or sale in any jurisdiction.

The information contained in this Presentation does not constitute financial advice and is not intended to be relied upon as advice to investors or potential investors. The information contained in this Presentation has been prepared without taking into account any person's individual investment objectives, financial situation or particular needs. Information in this Presentation remains subject to change without notice.

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This Presentation may contain forward-looking statements about the Company's financial results, guidance and/or business prospects that may involve risks or uncertainties and may involve significant items of subjective judgement and assumptions of future events that may or may not eventuate. Such items include Government policy changes, changes in the competitive environment, loss of contracts and unexpected changes to business costs or expenses. Given these uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements. No representation or warranty is given as to the accuracy or likelihood of achievement of any forward-looking statement in this Presentation, or any events or results expressed or implied in any forward-looking statement.

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nubco Acquisition target

Nubco is Tasmania’s largest independent retailer of industrial hardware and supplies.

✓	Diversified customer and product base
✓	Meets Coventry’s key acquisition criteria:
✓	• Industrial supply market
✓	• >\$10m turnover
✓	• Profitable business
✓	• Management to be retained
✓	• Clear post-acquisition integration and growth strategy
✓	• Disciplined approach to value
✓	• Ensure ability to adapt to ASX corporate culture
✓	Acquisition will add to Group profitability in FY19
✓	Positions Coventry Group as a leading industrial supply business in Tasmania
✓	Attractive trailing acquisition multiple of 6.0x FY18 EBITDA



1. Equity raising overview



Equity raising overview

Offer size and structure

- Equity raising of approximately \$27.6 million, comprising an Accelerated Non-Renounceable Entitlement Offer
- Under the Entitlement Offer, eligible shareholders are entitled to 1 New Share for every 1.37 existing ordinary shares held on Friday 8th February
- Issue price of \$0.75 per New Share
- The Entitlement Offer is fully underwritten

Offer price

- a 22.3% discount to the last closing price of \$0.965 on 5th February 2019
- a 14.2% discount to the theoretical ex-rights price of \$0.8743 based on the last closing price of \$0.965 on 5th February, 2019
- a 18.0% discount to the 30 trading day Volume Weighted Average Price (VWAP) up to and including 5th February, 2019 of \$0.9145
- a 11.3% discount to the theoretical ex-rights price of \$0.8451 based on the 30 trading day VWAP up to and including 5th February, 2019 of \$0.9145

Institutional offer

- The Institutional Offer comprises the Institutional Entitlement Offer
- Entitlements not taken up in the Institutional Entitlement Offer will be offered to eligible institutional investors concurrently with the Institutional Offer by way of an Institutional Bookbuild
- The Institutional Offer and Institutional Bookbuild opens on 5th February, 2019

Retail entitlement offer

- The Retail Entitlement Offer opens on 12th February 2019 and is scheduled to close on 21st February 2019
- The Retail Entitlement Offer will include a top up facility under which Eligible Retail Shareholders who take up their Entitlement in full may also apply for additional New Shares in the Retail Entitlement Offer that were not taken up by other Eligible Retail Shareholders

Use of proceeds

- The net proceeds raised from the Entitlement Offer will be used by Coventry to fund the acquisition of Nubco and associated transaction costs and working capital requirements

Ranking

- New Shares issued will rank equally with existing ordinary shares in all respects from the allotment

Lead Manager and Underwriter

- Bell Potter
- Viburnum Funds Pty Ltd, Coventry Group's largest shareholder owning approximately 21%, has entered into an agreement to sub-underwrite approximately \$8.0m of any shortfall associated with the Retail Entitlement Offer



Source and uses of funds

Sources	A\$M	Uses	A\$M
Gross proceeds from the equity raising	27.6	Acquisition of Nubco	36.0
Issue of Coventry shares to Nubco vendor	1.8	Transaction costs and working capital	3.4
Debt funding	10.0		
Total sources of funds	39.4	Total use of funds	39.4

Equity raising timetable

ASX announcement of offer and trading halt	Tuesday, 5 th February 2019
Institutional offer and bookbuild	Tuesday, 5 th February 2019
Trading halt lifted and return to trading on ASX	Friday, 8 th February 2019
Record date for participation in ANREO	7.00pm (AEDST) Friday, 8 th February 2019
Retail Entitlement Offer opens and despatch of Retail Offer Booklet	Tuesday, 12 th February 2019
Settlement Institutional Entitlement Offer	Thursday, 14 th February 2019
Allotment of Institutional Entitlement Offer shares	Friday, 15 th February 2019
Retail Entitlement Offer closes	Thursday, 21 st February 2019
Settlement of Retail Entitlement Offer	Wednesday, 27 th February 2019
Allotment of Retail Entitlement Offer shares	Thursday, 28 th February 2019
Normal trading resumes on all shares	Friday, 1 st March 2019

2. Coventry Group

Coventry Group Ltd (ASX: CYG) delivers innovative industrial solutions to the mining, construction, manufacturing, defense and agriculture sectors.



Company overview

Coventry Group Ltd (ASX: CYG) delivers innovative industrial solutions to the mining, construction and manufacturing sectors. We supply a range of fastening systems, cabinet hardware systems and hydraulics, lubrication, fire suppression, refueling systems and products.



Trade Distribution (TD)

Comprises Konnect fastening systems and Artia cabinet hardware systems through a wholly owned branch network (41 in Australia and 15 in New Zealand) selling to customers in mining, construction and manufacturing industries.

Cooper Fluid Systems (CFS)

Designs and manufactures hydraulics, lubrication, fire suppression, refueling systems and products to customers in the mining, construction and manufacturing industries through 11 branches in Australia.



Torque Industries (Torque)

Offer hydraulic, pneumatic, filtration and lubrication product sales and service along with hydraulic cylinders, hydraulic hose repair and complete system design, installation and commissioning from its base in Adelaide.



We value the health, safety and well being of our people first and foremost.

Our aim is for zero lost time injuries

OUR VISION

To be an innovative Industrial Supply Group achieving sustainable profitable growth operating through specialist business units.

OUR VALUES

We value Respect, Fairness, Teamwork, Integrity and Professionalism.

Above all, we value Our People and Our Customers.



Corporate overview

Financial snapshot	
Share price 5-Feb-2019	\$0.965
Shares outstanding	50.5m
Market capitalisation	\$48.7m
Cash (31-Dec-2018)	\$8.5m
Debt (31-Dec-2018)	\$0.0m
Enterprise value	\$40.2m
Substantial shareholders	
Viburnum Funds	21.0%
Spheria Asset Management	10.5%
Intrepid Capital	6.9%
Sandon Capital	6.2%

Source: S&P Capital IQ, IRESS & Computershare, ASX



Company overview

Coventry Group (ASX: CYG) delivers innovative industrial solutions to the construction, manufacturing, mining, agriculture and defense sectors. We supply a range of fastening systems, cabinet hardware systems, hydraulics, lubrication, fire suppression, refueling systems and other products.

	Trade Distribution (Konnect and Artia)	Cooper Fluid Systems	Torque Industries
Business Overview	Trade distribution is a speciality fastening systems and cabinet hardware systems company in Australia and New Zealand with a network of 56 branches.	Designs and manufactures hydraulics, lubrication, fire suppression, refuelling systems and other products with a network of 11 branches.	Diversified engineering company providing mainly hydraulic and pneumatic products and services through 1 branch in Adelaide
Market Exposures	Construction, manufacturing & mining	Construction & mining	Defence, agriculture, manufacturing, recycling & mining
FY18 Revenue (A\$m)	\$103m	\$65m	\$14m (normalised)
FY18 EBIT (A\$m) (pre corporate costs)	(\$3m)	\$5m	\$2.6m (normalised) (Torque acquisition completed 31 October 2018)
Opportunity	Significant business turnaround in Australia with a clear strategy to return to profitability. New Zealand continues to increase market share and drive profitable growth.	Continue to increase market share and drive profitable growth. Strategic acquisitions.	Continue to increase market share and drive profitable growth through its Adelaide based business. Expansion nationally.

Coventry's value proposition

Renewed focus on our people and our customers

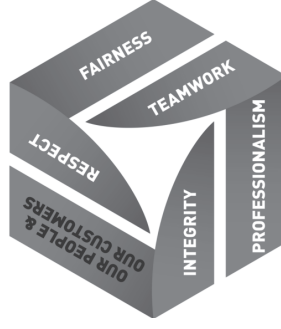
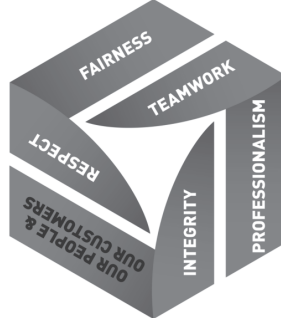
- Training
- Business Development
- Technology enhancement

Deliver service excellence

- Quality products
- Stock availability
- Employee expertise
- Geographic coverage
- Agility

Improved financial outcomes

- Grow sales
- Improve margins
- Reduce DC infrastructure costs
- Leverage existing infrastructure
- Return to profitability



Vision/strategic direction

Exciting opportunity to build a leading scaled Industrial Supply Group.

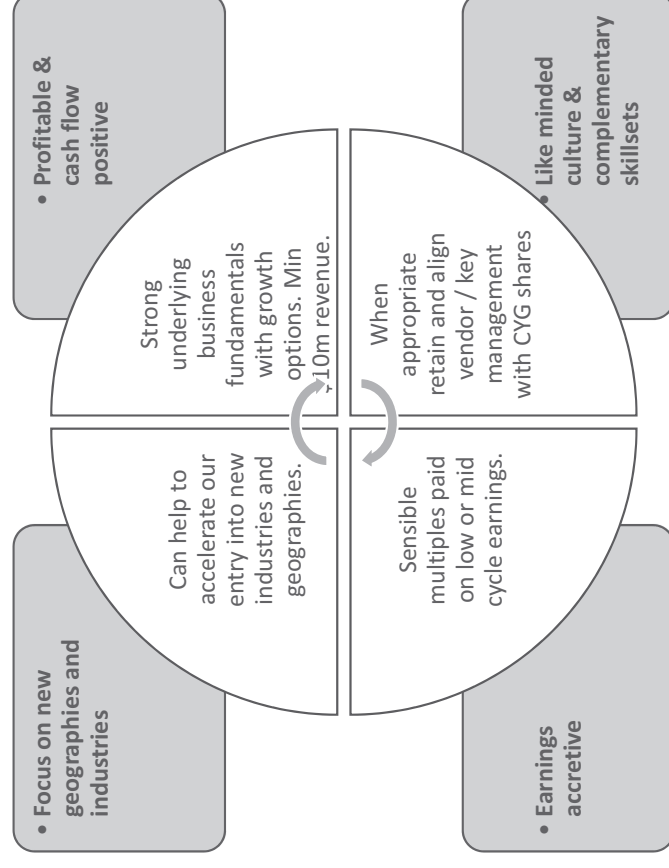
- As the Group has stabilised performance over recent times and with a clear pathway back to profitability, the Board and Executive Leadership Team have spent time developing the vision for the business over the next five years.
- The Board and Executive Leadership Team have significant experience in B2B trade / industrial supply distribution markets and know what the blueprint for success looks like.
- Clear opportunity to build a highly focused scaled Industrial Supply business with leading market positions across multiple geographies, sectors and products.
- Growth can be achieved through a combination of:
 - ✓ Organic growth (market share gains, new branches, new products & new geographies); and
 - ✓ Sensible strategic acquisitions.

Our vision is to create a leading Industrial Supply Group achieving sustainable profitable growth through sensible organic and acquisitive growth.

Acquisition approach

The Group will take a highly disciplined approach to acquisitions with strict criteria.

- A return to pursuing acquisition opportunities represents a pivotal turning point for the company after years of divestments and revenue erosion.
- We have now largely stabilised our core operations and have a team in place which has a very successful history of growing businesses through sensible and strategic acquisitions.
- We are not an industry “roll-up” story rather we will take a very strategic approach to assessing acquisition opportunities that may help to accelerate our entry into new geographies or industries.
- Acquisitions will be integrated with detailed 100 day and longer term integration plans. Systems and processes will be aligned with the Group and efficiencies will be extracted.
- Funding will be through a mix of new equity, debt and operating cash flows.
- We already have a pipeline of interesting opportunities where the vendors have no obvious succession planning in place. We will seek to avoid competitive processes where possible and negotiate on an exclusive basis.



Board

The Coventry Group Board of Directors has a wealth of knowledge and experience.



Neil Cathie – Independent Non-Executive Chairman

- 27 year career at Australia's largest and most successful plumbing and bathroom distributor, Reece Ltd, in finance and governance roles
- Non-executive director of ASX listed Millennium Services Group Limited and Director of and advisor to a number of private companies
- Graduate of the Australian Institute of Company Directors and fellow of CPA Australia and Governance Institute of Australia



Andrew Nisbet – Independent Non-Executive Director

- Appointed in September 2017
- Extensive career in senior management roles at Reece Ltd
- Graduate of the Australian Institute of Company Directors and advisor to a number of private companies



Robert Bulluss – CEO and MD

- Appointed CEO in May 2017 after holding the role of CFO and company secretary since October 2016
- 15 years within the Australian division of Bunzl plc.
- Experience across Finance, Strategy, Human Resources, Health, Safety and Environment, ICT and Technology, Operations, Project Management and all aspects of acquisitions



James Todd – Independent Non-Executive Director

- Appointed in September 2018
- Former Managing Director of Wolseley Private Equity, an independent private equity firm which he co-founded in 1999. Non-executive director of ASX listed companies IVE Group Ltd and HRL Holdings Ltd
- Member of the Australian Institute of Company Directors

Executive Leadership Team

Highly credentialed Executive Leadership Team with a proven track record in B2B trade distribution.

Background	
Robert Bulluss (CEO and Managing Director)	See previous slide
Rod Jackson (CFO)	Rod was appointed Chief Financial Officer in September 2017. He is an ACA qualified and experienced finance professional and prior to joining Coventry spent four years as Finance Director at Bunzl Outsourcing Services Limited. For six years prior to that he was Chief Financial Officer and Group Financial Controller at Linfox. Rod has also held senior finance roles with Remote Vision Solutions and Jetset Travel following 17 years with Deloitte Touche Tohmatsu.
Mike Wansink (GM of NZ)	Mike is an experienced General Manager with over ten years experience managing Trade Distribution New Zealand. Previously he held General Manager roles with the Extra Mile Company and Rexel Electrical Supplies and Marketing and National Sales roles with Steel and Tube. His experience has been invaluable in developing strategies for the turn around of the Australian business.
Peter Shaw (GM of TDA)	Peter joined the business 6 months ago as Northern Regional Manager in the Trade Distribution Australia business. Previously Peter held general management roles in industrial supply businesses including Worksense Workwear and Safety, Wesfarmers Industrial and Safety, Total Fasteners, Packaging House and Protector Safety. His experience and qualifications make Peter the ideal person to lead TDA through the next stage of its recovery to sustainable profitable growth.
Bruce Carter (GM of CFS)	Bruce has over 35 years experience with the Group in a number of different roles. He is currently General Manager of our profitable and growing Cooper Fluid Systems business. Prior to this he ran the Queensland region of Coventry Fasteners during a period of profitable sales growth. Bruce has broad general management experience and has provided extensive guidance and assistance with the Australian turnaround. He also has extensive experience acquiring and integrating businesses.
Tracey Gibbins (GM of People, Safety, Wellness and Quality)	Tracey was appointed General Manager of People, Safety, Wellness & Quality in January 2018. Tracey is an experienced and qualified Human Resources, Health, Safety, Environmental and Quality Strategy professional with relevant experience across a diverse range of businesses over a 25 year career.
Ken Lam (CIO)	Ken joined the business in August 2018. He has extensive IT and Project Management experience, most recently with SWC Management, Amplifon and Amcor. Ken will ensure the business has the ability to operate successfully in the Digital world.



1HFY19 trading update

- **Group**
 - Financial performance continues to improve
 - Sales up 5.1% on PCP
 - Cash position at 31 December 2018 of \$8.5m with no debt
 - Net tangible assets per share of \$1.02
- **CFS**
 - Sales up 13.2% on PCP.
 - Continuing rapid growth due to strong value proposition in a positive market setting
- **Torque**
 - Trading in line with expectations for the first two months post completion
- **TDNZ**
 - Sales up 14.4% on PCP
 - Excellent start to the year due to strong value proposition winning market share
 - Preparation for opening a new branch in Rotorua is advanced
- **TDA improving but slower than desired**
 - Appointed experienced General Manager with industrial supply background – Peter Shaw
 - Sales are in line with PCP excluding one-off project sales to Chevron in WA in H1 FY18 (\$1.282m) and the impact of unprofitable store closures (\$474k).
 - Major customer wins over the last three months will add \$1.6m sales in Q3
- **Outlook**
 - Markets remains positive and growing
 - The Group expects to generate positive EBIT for FY19, subject only to unforeseen circumstances arising
 - Acquisition of Nubco will add to Group profitability in FY19

Torque Industries acquisition

- Completed on 31 October 2018
 - ☑ 8 months profit contribution
 - ☑ FY19 forecast EBIT contribution in the order of \$1.7m

Nubco acquisition

- Planned completion on 1 March 2019
 - ☑ 4 months profit contribution
 - ☑ FY19 forecast EBITDA contribution more than \$2.0m

3. Nubco Overview

Highly attractive acquisition opportunity



Nubco – History and key milestones



- Overview

- Nubco Proprietary Limited (“Nubco”) is Tasmania’s largest independent supplier of industrial and hardware products
- Founded in 1983
- Seven store locations across Tasmania
- Headquarters and Distribution Centre in Devonport
- Diversified customer base across trade (65%), industrial segments (20%) and retail (15%)
- Primary sales channels are trade distribution outlets, industrial contract managed by sales representatives and trade shows
- FY18 sales of \$39.4m and EBITDA of \$6.0m

1983 • Founded by Joe Krawczyk and Graham Foster in Devonport

1993 - 1997 • Opened stores in Burnie, Derwent Park and Launceston

2002 • Paul Krawczyk starts in the business. Opened store in Mornington

2003 • New POS software is installed (SYM-PAC)

2006 • Opened new purpose built warehouse facility in Devonport

2007 & 2010 • Opened sixth store in Kingston (2007) and seventh store in George Town (2010)

2013 • Increased scale of import program



Nubco – Products & locations

Nubco is headquartered in Devonport, with seven store locations across Tasmania.

Key products

- Distributes an extensive range of equipment, accessories and spare parts
 - Industrial and engineering supplies, fasteners, safety and machinery
 - Steel, aluminium and stainless steel products
 - Concrete reinforcing
 - Hand tools, power tools and workshop equipment
 - Other industrial and engineer supply products

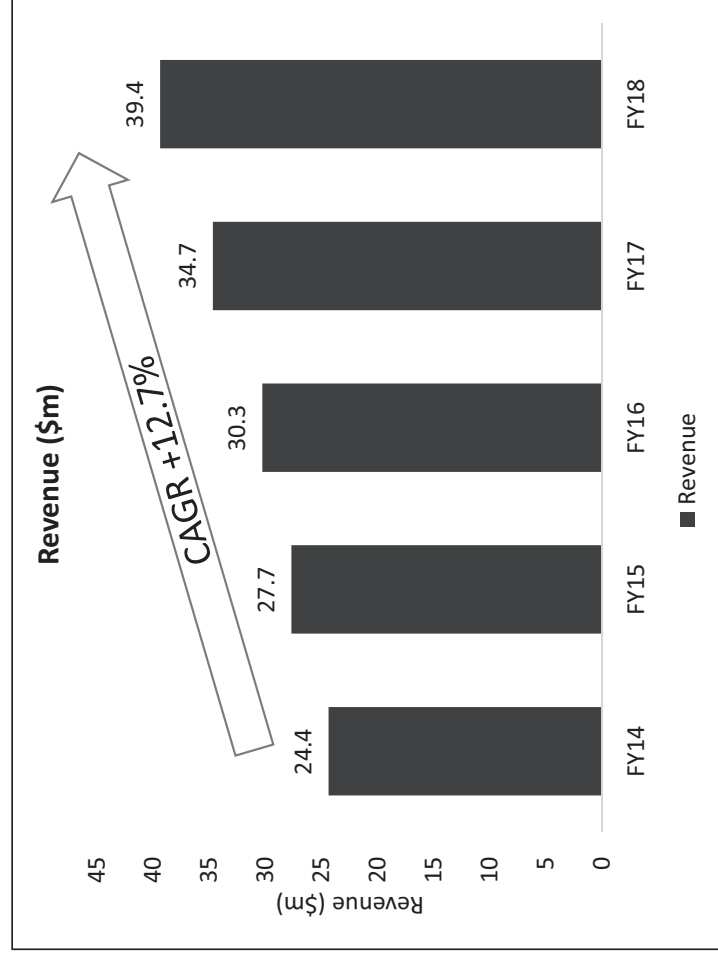
Channels to market

- Shopfront/retail stores
- Sales force servicing industrial / trade customers
- Trade shows and events

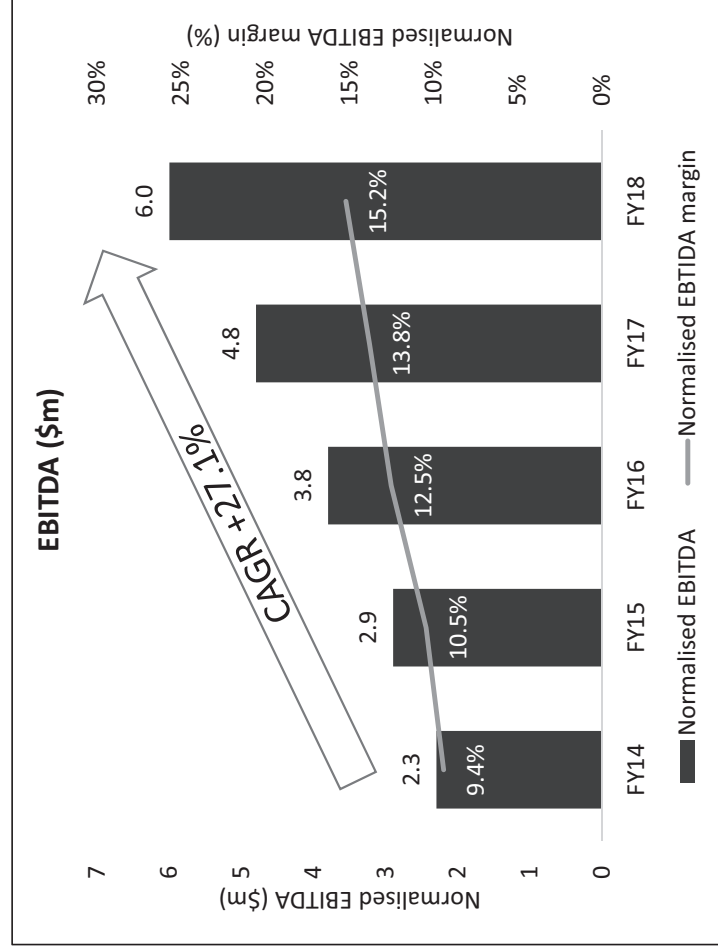


Nubco – Financials

Normalised earnings have grown by a CAGR of 27% between FY14 and FY18.

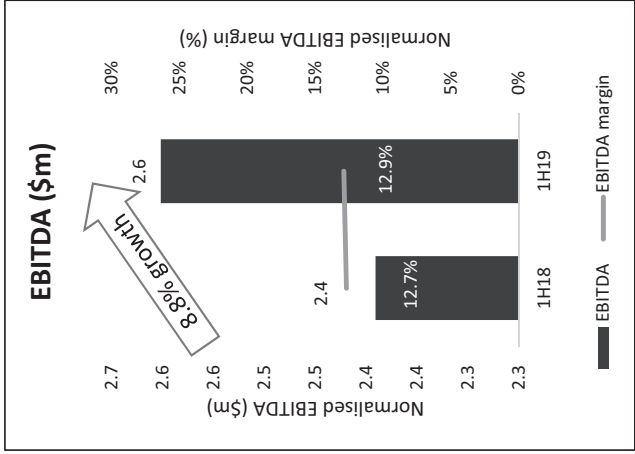
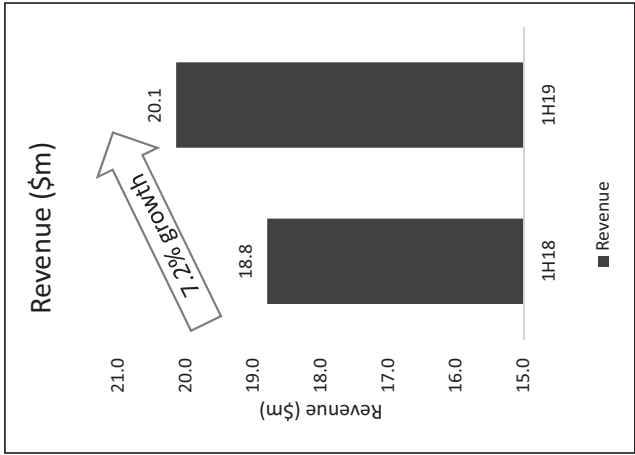


Source: Nubco



Nubco – Financials (cont.)

1H19 EBITDA has grown by 9% from 1H18.



- Historically, Nubco earnings show significant seasonality, with second half revenue, earnings and margin higher than first half
- Factors contributing to seasonality include
 - End of financial year tax driven sales
 - End of financial year spending to exhaust remaining corporate budgets
 - December holidays shut down

Source: Nubco

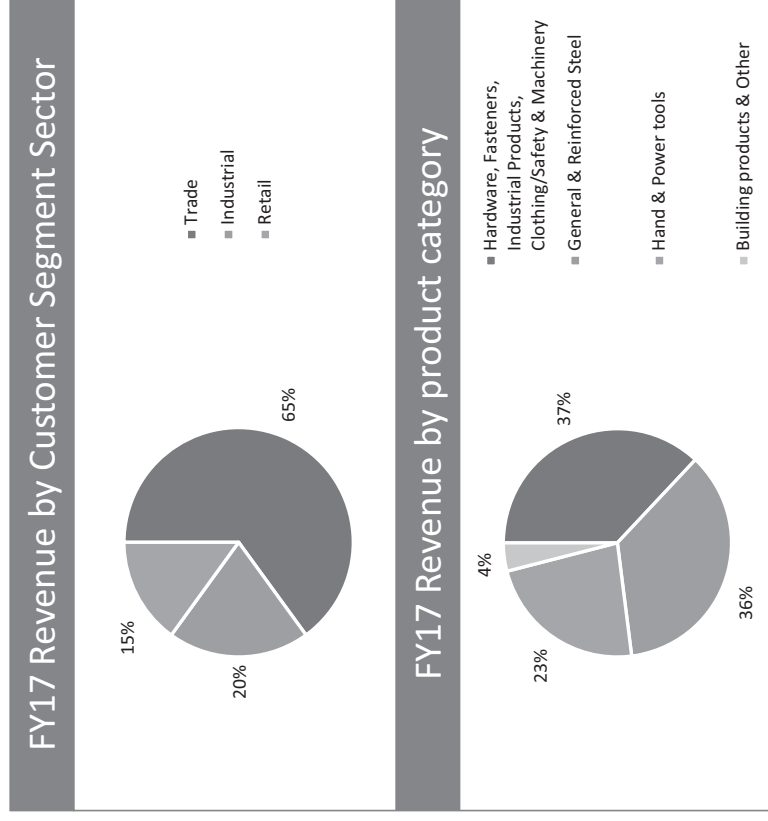
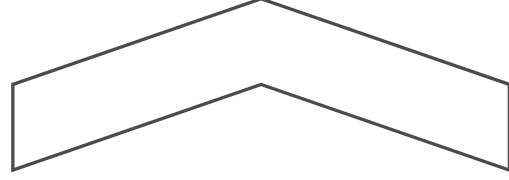


Nubco – Customer Segments

Nubco has a diversified customer base and product mix.

Key Customer Segments

- **Trade**
 - Trade customers
 - Power tools, hardware & gas
 - Reinforcement products
- **Industrial**
 - Industrial consumables contracts with large corporate customers
 - Steel, fasteners, industrial consumables, power tools & machinery
- **Retail**
 - Retail customers who purchase products for high end DIY projects
 - Fasteners, power tools & machinery & hand tools



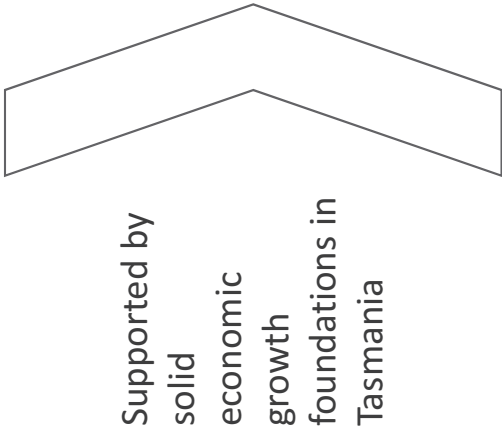
Source: Nubco

Nubco – Growth prospects

Nubco has a strategy in place for continued sales and profit growth, supported by the Tasmanian economy.

Organic Growth

- Significant industrial tender pipeline
 - Utilities
 - Infrastructure
 - Manufacturing
 - Potential for the roll out of Nubco locations in regional Australia
- Store refurbishment
 - Increase in footprint and capacity
 - Upgrade and refurbishment
 - Product range extension
- E-commerce growth
- Loyalty scheme
- Buoyant Tasmanian economy



Key drivers

- 1 Tourism** – Tasmanian Tourism growth is forecast to expand at CAGR of 4.2% between CY17 – CY20, fueling expansion in the construction and development of hospitality assets
- 2 Agricultural and aquaculture growth** – The Tasmanian Government has plans to grow the Agriculture and Aquaculture industries tenfold to \$10 billion by 2050
- 3 Increased Government infrastructure spending** – \$1.8 billion has been committed to infrastructure projects in Tasmania in the 2016-17 Budget
- 4 Industrial growth** – Supported by the Department of State Growth's 2015-2018 Corporate Plan, focusing on agriculture, tourism, manufacturing, forestry and mining sectors
- 5 Population growth and housing growth** – The Tasmanian population is forecast to grow at 1.0% between FY17 and FY21. Housing prices in Tasmania increased 11.3% for the full year to March 2017, ranked no. 34 worldwide for growth in FY17



\$1.8 billion for Tasmanian Infrastructure Projects

May 2017

As a result of the hard decisions we made upon coming to Government, the State is now back on track and we are able to reinvest the dividends into essential infrastructure projects. The 2016-17 Budget includes funding for \$1.8 billion in infrastructure projects that touch all regions of the State and drive economic growth and create jobs. This includes an investment of \$656 million in road and bridge improvements, funded jointly by the State and Federal Governments. These projects will support jobs in the civil construction sector and address vital infrastructure needs to support our growing economy. Other major commitments in this budget and over the forward estimates to upgrade Tasmania's infrastructure include:

- \$113 million to revitalise Tasmania's primary schools, high schools, colleges and TasTAFE training facilities - the biggest investment in education facilities in a generation.
- \$457 million for the Royal Hobart Hospital Redevelopment.
- \$60 million to implement the Government's priorities under Tasmania's Affordable Housing Action Plan 2015-2019, which will allow for the construction of around 900 new homes and support to access affordable homes in the private market.



Nubco– Potential synergies

A number of potential synergy opportunities have been identified.

Increased buying power
Both CYG and Nubco will benefit from increased buying power across the full range of products



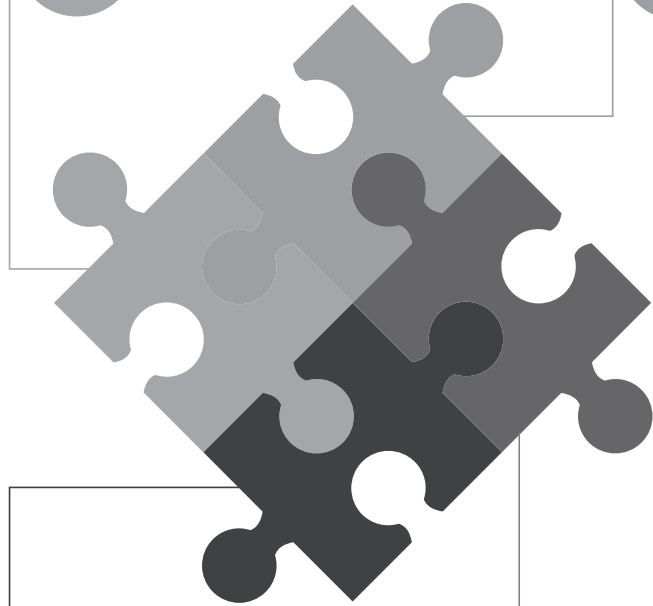
Expand product range
CYG will be able to expand its product range with products sold at Nubco



Sale of Konnect systems in Nubco network
Nubco will now be able to sell CYG's full range of Konnect fastening systems



Expansion opportunities in other states
CYG will assess expansion opportunities for Nubco in other states



Nubco – Management team

Experienced management team that will remain with the business.

Name	Role	Responsibilities	Tenure (years)
Paul Krawczyk	Managing Director	Strategy	16
Brett Hodgetts	Financial Controller	Financial reporting, accounts payable/receivables. payroll	16
Todd Cordwell	State Operations Manager	Store operations and HR	11
Nick Daw	Procurement Manager	Purchasing and inventory team, inventory control and import program	14

4. Combined Group Profile

Financial results are continuing to improve



Nubco – Acquisition financial impact



Attractive acquisition multiple

Acquisition price	→ \$36.0m
• Cash	→ \$34.2m
• Shares to vendor	→ \$1.8m
Sales FY18 actual	→ \$39.4m
EBITDA	
• FY18 actual	→ \$6.0m
• FY18 actual EBITDA Margin	→ 15.2%
Acquisition multiple (trailing)	
• Based on FY18 EBITDA	→ 6.0x



Delivers immediate earnings to CYG

- Expected completion on 1st March 2019
 - ▣ 4 months profit contribution
 - ▣ FY19 forecast EBITDA contribution more than \$2m
- Positive impact on EPS, ROCI and ROE
- Accelerates utilisation of Coventry's tax losses
- Accelerates payment of dividends to shareholders



Adds to CYG's ability to generate cash

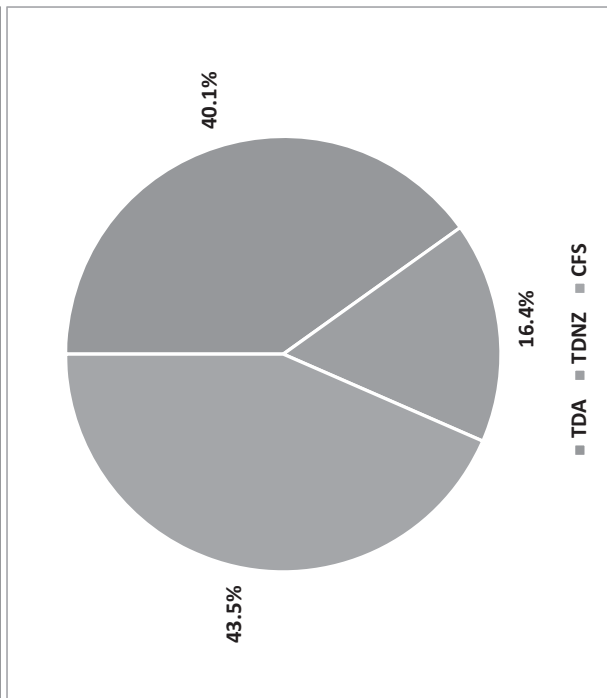
- High EBITDA cash conversion
- Low capex requirements

Source: Nubco. Nubco financial information is unaudited

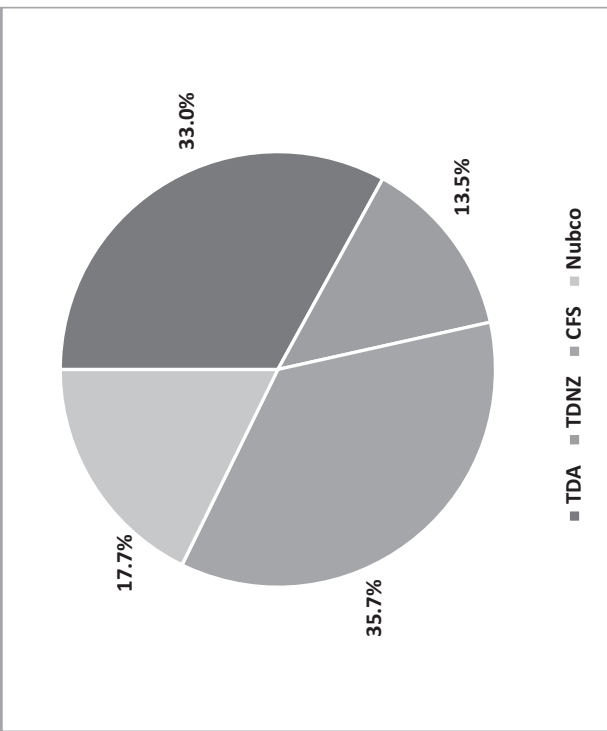
Pro forma combined group profile

Nubco would become CYG's third largest division.

Pro forma FY18 Current sales split by business unit (includes Torque)¹



Pro forma FY18 Current sales split by business unit (includes Torque)¹ & Nubco ²



Source: Coventry announcements and Nubco

Note 1: \$14m of new sales contribution from Torque acquisition, included in CFS. Note 2: \$39.4m of new sales contribution from Nubco acquisition



Pro forma balance sheet

(A\$)	Coventry Dec-18	Nubco Dec-18 ²	Fund Raising ³	Pro forma Dec-18
Cash & cash equivalents	8.5	-34.2	36.3	10.6
Inventories	48.3	9.6	-	57.9
Trade and other receivables	25.7	3.9	-	29.6
Other current assets	3.3	0.4	-	3.7
Total current assets	85.8	-20.3	36.3	101.8
Property, Plant & Equipment	4.8	1.2	-	6.0
Intangible assets	14.2	26.3 ⁴	-	40.5
Deferred tax assets	6.3	-	-	6.3
Other non-current assets	-	0.2	-	0.2
Non-current assets	25.3	27.7	0.0	53.0
Total assets	111.1	7.4	36.3	154.8
Trade and other payables	30.7	4.7	-	35.4
Other current liabilities	4.8	0.7	-	5.5
Current liabilities	35.5	5.4	-	40.9
Debt	-	-	10.0	10.0
Other non-current liabilities	3.4	0.2	-	3.6
Non-current liabilities	3.4	0.2	10.0	13.6
Total liabilities	38.9	5.6	10.0	54.5
Total equity	72.2	1.8	26.3	100.3

- Balance sheet remains conservatively geared given forecast return to profitability in FY19
- Balance sheet excludes the tax benefit of \$71.6m in tax losses to offset future profits

Notes:

1: Based on unaudited management accounts at 31 December 2018

2: Based on unaudited management accounts at 31 December 2018 and anticipated completion adjustments

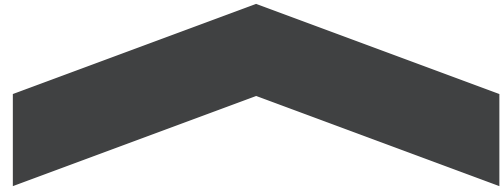
3: Fund raising comprises equity issue of \$27.6m less issue costs of \$1.3m and debt of \$10m

4: Goodwill of \$26.3m equals \$36m acquisition price less \$9.7m in net assets acquired

Risk mitigation

Risk mitigation is a key focus of CYG.

Risks identified	
	Loss of management and key personnel
	Inability for Coventry to successfully integrate Nubco and its employees
	Financial viability and growth prospects of the business is not as expected
	High customer concentration risk



Mitigation plan	
	Senior management team retained • Paul Krawczyk has entered into 2 year service agreement • Other management to be retained
	Nubco to be operated as a stand-alone business • Minimal integration • No Nubco store closures • Focus on procurement synergies
	Extensive due diligence completed
	Diversified customer base

5. Summary and outlook



Summary and outlook

1 Experienced team is in place	Focus on sales growth and sustainable profitable growth
2 Group sales growth	Has continued in first half of FY19
3 Our key markets are performing well	In mining and resources, construction and industrial sectors
4 Strong balance sheet	Post acquisition, conservative net debt level
5 FY18 initiatives implemented	Financial benefits to be fully realised in FY19
6 Growth opportunities exist in all business units	Market share, new branches and acquisitions



Acquisition of Nubco will add to Group profitability in FY19

A. Risk Factors



A. Risk Factors

The risk factors summarised in this section may materially affect the financial performance of Coventry and the market price of its shares. To that extent, the shares in Coventry carry no guarantee with respect to the payment of dividends or return on capital.

Potential investors should note that risks are associated with any investment in the stock market. Returns from investments in Coventry will depend on the conditions of the market as well as the performance of Coventry. There are a number of risk factors, both relating to the general business environment and specific to Coventry, which may adversely impact on the operating performance, financial position and prospects of Coventry. Potential investors should consider that an investment in Coventry is speculative and should consult their professional advisers before deciding whether to apply for shares in Coventry. Nothing in this presentation is financial product advice and this document has been prepared without taking into account your investment objectives or personal circumstances.

The following is not intended to be an exhaustive list of the risk factors to which Coventry is exposed:

A: General risks

General market and share price risks

General economic factors such as interest rates, exchange rates, inflation, business and consumer confidence and general market factors may have an adverse impact on Coventry's performance, prospects or value of its assets. The market price of Coventry shares will fluctuate due to various factors, many of which are non-specific to Coventry, including recommendations by brokers and analysts, Australian and international general economic conditions, inflation rates, interest rates, exchange rates, changes in government, fiscal and monetary and regulatory policies, changes to laws, global investment markets, global geo-political events and hostilities, investor perceptions and other factors that may affect Coventry's financial performance and position. In the future, these factors may cause Coventry shares to trade at or below their issue price.

B: Risks relating to the Offer

Underwriting risk

Coventry has entered into an underwriting agreement under which the Underwriter has agreed to fully underwrite the Entitlement Offer, subject to the terms and conditions of the underwriting agreement between the parties. If certain conditions are not satisfied or certain events occur, the Underwriter may terminate the underwriting agreement. Termination of the underwriting agreement would have an adverse impact on the proceeds raised under the Entitlement Offer. If the underwriting agreement is terminated Coventry would need to find alternative funding for the acquisition of Nubco, which could materially adversely affect Coventry's business, cash flow, financial condition and results of operations.

Risk of dilution

You should also note that if you do not take up all of your entitlement under the Entitlement Offer, then your percentage security holding in Coventry will be diluted by not participating to the full extent in the Entitlement Offer.



A. Risk Factors

C: Coventry risks

Loss of key personnel or skilled workers

Coventry's ability to remain productive, profitable and competitive and to implement planned growth initiatives depends on the continued employment and performance of senior executives and other key members of management. Coventry's performance also depends on its ability to attract and retain skilled workers with the relevant industry and technical experience.

If any one of these individuals resigns or becomes unable to continue in his or her present role and is not adequately replaced in a timely manner, business operations and the ability to implement Coventry's strategies could be materially disrupted. The loss of a number of key personnel or the inability to attract additional personnel may have an adverse impact on Coventry's financial and operating performance.

There can be no assurance that Coventry will be able to attract and retain skilled and experienced employees and, should it lose any of its key management personnel or fail to attract qualified personnel, its business may be harmed and its operational and financial performance could be adversely affected.

Loss making and access to finance

Coventry reported a loss from continuing operations of \$8.3m for the FY18 financial year. The ability to return the Group to profitability can be affected by all the risk factors stated in this document. Coventry's continued ability to effectively implement its business plan over time may depend in part on its ability to raise additional funds for future growth opportunities. Depending on economic and business conditions, equity or debt funding may not be available to Coventry, on favourable terms or at all. If adequate funds are not available on acceptable terms, Coventry may not be able to take advantage of opportunities or respond to competitive pressure.

Redcliffe property

Coventry has a long term lease on a property in Redcliffe with sub tenants. Failure to retain existing tenants or replace existing tenants may have a material adverse effect on future financial performance and position.

Competition risk

Increased competition in the areas in which Coventry operates could result in price reductions, under-utilisation of personnel, assets or infrastructure, reduced operating margins and/or loss of market share, which may have a material adverse effect on Coventry's future financial performance and position.

Operational risk

Coventry is subject to operational risks resulting from inadequate or failed internal processes, systems, policies or policies, in addition to potential hazards normally encountered in the ordinary course of business. If these risks materialise, Coventry's operations could be disrupted which may have a material adverse effect on future financial performance and position.



Coventry Group Ltd



COOPER
FLUID SYSTEMS



artia
CABINET HARDWARE SYSTEMS



KONNECT
FASTENING SYSTEMS



TORQUE
INDUSTRIES



mubco

A. Risk Factors

C: Coventry risks (continued)

Customer service

Coventry's ability to maintain relationships with major customers is integral to its financial performance. This in turn depends on its ability to offer competitive service standards and pricing. Poor performance in either area may lead to a loss of major customers which may have a material impact on Coventry's financial performance.

Liability for defective work and performance

Coventry's operations carry a risk of liability for losses arising from defective work, including in some instances indirect or consequential losses suffered by third parties. Coventry attempts to decrease its exposure to liability contractually and maintains what it considers to be adequate levels of professional indemnity insurance, however, this will not protect Coventry from all claims that could be made against it. It is not always possible to obtain insurance against all risks and Coventry may decide not to insure against certain risks as a result of high premiums or other reasons. The occurrence of an event that is not fully covered, or covered at all, by insurance could have a materially adverse effect on Coventry's financial position.

Litigation and disputes

Coventry may become involved in litigation or disputes, which could adversely affect financial performance and reputation.

Intellectual Property

There can be no assurances that the validity, ownership or authorised use of intellectual property (including technology, know-how, trademarks, designs and patents (both owned and licensed) relevant to Coventry's business (including those relating from the acquisition of Nubco) will not be challenged, which could adversely affect Coventry's financial and operating performance.

Occupational health and safety

If there were to be a failure to comply with the applicable occupational health and safety legislative requirements across the jurisdictions in which Coventry operates, there is a risk that non-compliance may result in fines, penalties and/or compensation for damages as well as reputational damage.

Cyber risk

The failure of Coventry's information technology systems and / or security could result in financial loss, disruption or damage to the reputation of the business.

Negative publicity

Coventry is subject to the risk that negative publicity, whether true or not, may affect stakeholder perceptions of Coventry's past actions and future prospects. Being listed on the ASX means that the Coventry is subject to risks relating to market expectations for its business and financial and operating performance. If Coventry does not manage these expectations in an effective manner, it could give rise to loss of investor confidence in its business and management and may adversely impact the trading price of Coventry shares.



A. Risk Factors

D: Acquisition risks

Completion risk

Coventry may terminate the Nubco share acquisition agreement in certain circumstances, including in the circumstance where certain conditions precedent have not been satisfied. If such termination rights are exercised, completion of the acquisition may not occur. Further, if completion of the acquisition does not occur, Coventry will need to consider alternative uses for the proceeds from the Offer, including applying them towards working capital, reviewing alternative investment opportunities, and/or considering ways to return the proceeds from the Offer to shareholders. Any failure to consummate the acquisition could materially and adversely affect Coventry and the price of its shares.

Nubco performance risks

There is an inherent risk that the underlying assets of Nubco do not ultimately produce the financial returns anticipated due to:

- the potential disruption and diversion of management's attention from day-to-day operations;
- the inability to effectively integrate the operations, products, technologies;
- the inability to maintain uniform standards, controls, procedures and policies;
- the loss of key personnel; and
- the potential impairment of relationships with customers and suppliers, resulting in loss of contracts.

In addition, there is a risk that the Company may suffer loss or damage flowing from unforeseen events in relation to the underlying assets and liabilities of any potentially acquired business, which the Company may not be able to recover from its vendors.

B. International offer restrictions



B. International offer restrictions

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

New Zealand

- This document has not been registered, filed with or approved by any New Zealand regulatory authority under the Financial Markets Conduct Act 2013 (the FMC Act).
- The New Shares are not being offered to the public within New Zealand other than to existing shareholders of CYG with registered addresses in New Zealand to whom the offer of these securities is being made in reliance on the FMC Act and the Financial Markets Conduct (Incidental Offers) Exemption Notice 2016.
- Other than in the entitlement offer, the New Shares may only be offered or sold in New Zealand (or allotted with a view to being offered for sale in New Zealand) to a person who:
 - is an investment business within the meaning of clause 37 of Schedule 1 of the FMC Act;
 - meets the investment activity criteria specified in clause 38 of Schedule 1 of the FMC Act;
 - is large within the meaning of clause 39 of Schedule 1 of the FMC Act;
 - is a government agency within the meaning of clause 40 of Schedule 1 of the FMC Act; or
 - is an eligible investor within the meaning of clause 41 of Schedule 1 of the FMC Act.

United States

- This document does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States. The New Shares have not been, and will not be, registered under the US Securities Act of 1933 (the US Securities Act) and may not be offered or sold in the United States except in transactions exempt from, or not subject to, the registration requirements of the US Securities Act and applicable US state securities laws.

B. International offer restrictions

Hong Kong

- **WARNING:** This document has not been, and will not be, registered as a prospectus under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong, nor has it been authorised by the Securities and Futures Commission in Hong Kong pursuant to the Securities and Futures Ordinance (Cap. 571) of the Laws of Hong Kong (the SFO). No action has been taken in Hong Kong to authorise or register this document or to permit the distribution of this document or any documents issued in connection with it. Accordingly, the New Shares have not been and will not be offered or sold in Hong Kong other than to "professional investors" (as defined in the SFO and any rules made under that ordinance).
- No advertisement, invitation or document relating to the New Shares has been or will be issued, or has been or will be in the possession of any person for the purpose of issue, in Hong Kong or elsewhere that is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to New Shares that are or are intended to be disposed of only to persons outside Hong Kong or only to professional investors. No person allotted New Shares may sell, or offer to sell, such securities in circumstances that amount to an offer to the public in Hong Kong within six months following the date of issue of such securities.
- The contents of this document have not been reviewed by any Hong Kong regulatory authority. You are advised to exercise caution in relation to the offer. If you are in doubt about any contents of this document, you should obtain independent professional advice.

France

- This document is not being distributed in the context of a public offering of financial securities (offre au public de titres financiers) in France within the meaning of Article L.411-1 of the French Monetary and Financial Code (Code monétaire et financier) and Articles 211-1 et seq. of the General Regulation of the French Autorité des marchés financiers (AMF). The New Shares have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France.
- This document and any other offering material relating to the New Shares have not been, and will not be, submitted to the AMF for approval in France and, accordingly, may not be distributed (directly or indirectly) to the public in France. Such offers, sales and distributions have been and shall only be made in France to qualified investors (investisseurs qualifiés) acting for their own account, as defined in and in accordance with Articles L.411-2-II-2, D.411-1, L.533-16, L.533-20, D.533-11, D.533-13, D.744-1, D.754-1 and D.764-1 of the French Monetary and Financial Code and any implementing regulation.
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B. International offer restrictions

Singapore

- This document and any other materials relating to the New Shares have not been, and will not be, lodged or registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this document and any other document or materials in connection with the offer or sale, or invitation for subscription or purchase, of New Shares, may not be issued, circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore except pursuant to and in accordance with exemptions in Subdivision (4) Division 1, Part XIII of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA"), or as otherwise pursuant to, and in accordance with the conditions of any other applicable provisions of the SFA.
- This document has been given to you on the basis that you are (i) an "institutional investor" (as defined in the SFA) or (ii) an "accredited investor" (as defined in the SFA). In the event that you are not an investor falling within any of the categories set out above, please return this document immediately. You may not forward or circulate this document to any other person in Singapore.
- Any offer is not made to you with a view to the New Shares being subsequently offered for sale to any other party. There are on-sale restrictions in Singapore that may be applicable to investors who acquire New Shares. As such, investors are advised to acquaint themselves with the SFA provisions relating to resale restrictions in Singapore and comply accordingly.

