

Coventry Group Limited

ACN 008 670 102

RETAIL ENTITLEMENT OFFER

Details of a 1 for 5 fully underwritten accelerated non-renounceable entitlement offer of Shares at an Issue Price of \$1.15 per New Share

The Retail Entitlement Offer closes at 5.00pm (Melbourne time) on Friday, 12 October 2018.

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 (Wednesday, 3 October 2018 to Friday, 12 October 2018).

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

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Important Notices

This Retail Offer Booklet is dated 28 September 2018. 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 Announcements, 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, the Entitlements 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 announcements 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 announcements, 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 5 accelerated non-renounceable entitlement offer (**Entitlement Offer**) of new Coventry Shares (**New Shares**) at an issue price of \$1.15 per New Share (**Issue Price**).

Entitlement Offer

On 26 September 2018, Coventry announced its intention to raise approximately \$15 million (less expenses) by way of a private placement (**Placement**), 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 the acquisition of Torque Industries, a diversified engineering company providing mainly hydraulic and pneumatic products and services, and for working capital.

Retail Entitlement Offer

This letter relates to the Retail Entitlement Offer, which will raise approximately \$4.2 million (less expenses). Under the Retail Entitlement Offer, Eligible Retail Shareholders can subscribe for 1 New Share for every 5 Shares held as at the Record Date at an Issue Price of \$1.15 per New Share. The Issue Price represents a discount of 8.0% to the \$1.25 closing price of Shares on 25 September 2018.

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 3 October 2018. 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. The allocation of Additional New Shares will be 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 Friday, 12 October 2018, 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 Friday, 12 October 2018.

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
Announcement of the Entitlement Offer	Wednesday, 26 September 2018
Record Date for eligibility in the Entitlement Offer	7.00pm (Melbourne time) on Friday, 28 September 2018
Retail Entitlement Offer opens	9.00am (Melbourne time) on Wednesday, 3 October 2018
Retail Offer Booklet despatched	Wednesday, 3 October 2018
Settlement of the New Shares issued under the Institutional Entitlement Offer and Placement	Thursday, 4 October 2018
Allotment and normal trading on ASX of New Shares issued under the Institutional Entitlement Offer	Friday, 5 October 2018
Despatch of holding statements for New Shares issued under the Institutional Entitlement Offer	Monday, 8 October 2018
Retail Entitlement Offer closes	5.00pm (Melbourne time) on Friday, 12 October 2018
Settlement of the New Shares issued under the Retail Entitlement Offer	Thursday, 18 October 2018
Allotment of New Shares issued under the Retail Entitlement Offer	Friday, 19 October 2018
Normal trading on ASX of New Shares issued under the Retail Entitlement Offer	Monday, 22 October 2018
Despatch of holding statements for the New Shares issued under the Retail Entitlement Offer	Tuesday, 23 October 2018

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. The allocation of Additional New Shares will be at the discretion of the Board and the Underwriter and may be subject to scale back. The Company reserves the right to accept or reject any application for Additional New Shares at the discretion of the Board and the Underwriter.

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, at the discretion of the Board and the Underwriter.

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 Friday, 12 October 2018 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 \$15 million through the Placement and the underwritten Entitlement Offer, which comprises the Institutional Entitlement Offer and the Retail Entitlement Offer.

The Placement will be made to Institutional Investors to raise approximately \$6.4 million at an issue price of \$1.15 per Share.

Under the Entitlement Offer, Coventry is offering Eligible Shareholders the opportunity to subscribe for 1 New Share for every 5 Shares held on the Record Date. The Issue Price per New Share is \$1.15, the same price as offered to Institutional Investors under the Placement.

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 Announcements 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 26 September 2018, 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 will raise approximately \$4.2 million at an issue price of \$1.15 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. The allocation of Additional New Shares will be at the discretion of the Board and the Underwriter and 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 19 October 2018.

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 Friday, 12 October 2018, with New Shares expected to be allotted on Friday, 19 October 2018.

The Retail Entitlement Offer is underwritten by the Underwriter, and seeks to raise approximately \$4.2 million (less expenses). The Issue Price under the Retail Entitlement Offer is the same as the Issue Price under the Institutional Entitlement Offer and the Placement.

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 5 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 Friday, 5 October 2018; and
- allotted under the Retail Entitlement Offer (including any Additional New Shares) will commence on Monday, 22 October 2018.

1.7 Holding statements

Holding statements are expected to be despatched to Eligible Shareholders:

- on Monday, 8 October 2018 in respect of New Shares allotted under the Institutional Entitlement Offer; and
- on Tuesday, 23 October 2018 in respect of New Shares allotted under the Retail Entitlement Offer.

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 <https://cgl.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 <https://cgl.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 \$1.15 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 Friday, 12 October 2018.

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 page 29 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 Friday, 12 October 2018, New Shares (and Additional New Shares) are expected to be allotted to you on the Allotment Date being Friday, 19 October 2018. Your payment of the Application Monies will not be accepted after the Retail Closing Date, being 5.00pm (Melbourne time) on Friday, 12 October 2018, 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.

The allocation of Additional New Shares will be at the discretion of the Board and the Underwriter and may be subject to scale back. The Company reserves the right to accept or reject any application for Additional New Shares at the discretion of the Board and the Underwriter.

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 \$1.15 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 Retail Offer' 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 Friday, 12 October 2018 and New Shares (and Additional New Shares) will be allotted to you on the Allotment Date being Friday, 19 October 2018. Entitlement and Acceptance Forms (and payments for Application Monies) will not be accepted after the Retail Closing Date, being 5.00pm (Melbourne time) on Friday, 12 October 2018 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. The allotment of Additional New Shares will be at the discretion of the Board and the Underwriter and may be subject to scale back.

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 Friday, 12 October 2018 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 page 29 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 reduced 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 Wednesday, 3 October 2018.

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:

- (d) was a registered holder of existing Shares as at 7pm (Melbourne time) on the Record Date;
- (e) has a registered address in Australia or New Zealand;
- (f) 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);

- (g) is not an Eligible Institutional Shareholder (as defined in the Retail Entitlement Offer Booklet lodged with ASX on 26 September 2018) (other than a nominee to the extent that the nominee also holds existing Shares on behalf of an Eligible Retail Shareholder); and
- (h) 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 Bell Potter Securities Limited as the nominee (Nominee) to conduct a foreign sale facility on behalf of Ineligible Retail Shareholders (Foreign Sale Facility). Under the Foreign Sale Facility, the Company will issue the Nominee with rights to apply for New Shares which would otherwise have been available for subscription by Ineligible Retail Shareholders had they been eligible to participate in the Rights Issue. If there is a viable market in the rights and a premium over the expenses of their sale can be made, the Nominee will arrange the sale of the rights which would have been offered to the Ineligible Retail Shareholders. The Nominee will arrange for the proceeds of sale (if any), net of expenses and withholding taxes (if any), to be distributed to Ineligible Retail Shareholders in proportion to the rights that would have otherwise been made available to them in respect of their shareholding at the Record Date.

There is no guarantee that Ineligible Retail Shareholders will receive any proceeds as a result of the 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 Nominee, 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 and the Placement (together, the **Offer**). Coventry has entered into an Underwriting Agreement with the Underwriter in respect of the Offers.

Coventry must pay to the Underwriter:

- an underwriting fee equal to 2.0% of the proceeds of the Institutional Entitlement Offer and the Retail Entitlement Offer;
- a management fee equal to 2.5% of the proceeds of the Institutional Entitlement Offer, the Retail Entitlement Offer and the Placement; and
- an incentive fee of 0.5% of the Institutional Entitlement Offer, the Retail Entitlement Offer and the Placement.

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 Offers 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 business purchase deed between Torque Industries and Coventry 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) on two consecutive Business Days, prior to 4.00pm on Thursday 18 October 2018, at any time the S&P/ASX 200 Index is at 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 it at or below that level at the close of trading:
 - (i) on any Trading Day until Thursday 4 October 2018;
 - (ii) for 2 consecutive Trading Days during any time after Thursday 4 October 2018 and prior to Thursday 18 October 2018; or
 - (iii) on the Trading Day immediately prior to Thursday 18 October 2018.
- (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 Thursday 18 October 2018 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 Thursday 4 October 2018 is delayed for more than one Business Day; or
 - (ii) after Thursday 4 October 2018 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;
- (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

The potential effect of the issue of the New Shares pursuant to the Entitlement Offer on the control of the Company and the consequences of that effect will depend on a number of factors, including the extent to which Eligible Shareholders take up New Shares under the Entitlement Offer and are described below.

- If all Eligible Shareholders take up their entitlements under the Entitlement Offer, then the Entitlement Offer will have no significant effect on the control of the Company.
- If 50% of Eligible Shareholders take up their entitlements under the Entitlement Offer, then new investors will receive 3,738,041 New Shares (being 7.41% of Shares on issue in the Company following the Placement and Entitlement Offer) and the interests of those Eligible Shareholders who do not take-up their entitlements under the Entitlement Offer will be diluted.
- If 25% of Eligible Shareholders take up their entitlements under the Entitlement Offer, then new investors will receive 5,607,061 New Shares (being 11.11% of Shares on issue in the Company following the Placement and Entitlement Offer) and the interests of those Eligible Shareholders who do not take-up their entitlements under the Entitlement Offer will be diluted.
- If no Eligible Shareholders take up their entitlements under the Entitlement Offer, then new investors will receive 7,476,081 New Shares (being 14.81% of the Shares on issue in the Company following the Placement and Entitlement Offer) and the interests of all Eligible Shareholders will be diluted.

For the purposes of the information provided above, 'new investors' potentially includes the Underwriter and certain sub-underwriters appointed in relation to the Placement and Entitlement Offer.

The Underwriter has entered into sub-underwriting commitments for the New Shares to be issued under the Entitlement Offer. Assuming those commitments are honoured with respect to the Retail Entitlement Offer, and full allocation of New Shares to be issued under the Institutional Entitlement Offer, the maximum percentage of New Shares which the Underwriter or sub-underwriter could hold, assuming no other investor or shareholder take-up of the New Shares offered in the Entitlement Offer, would be 14.81% of the shares on issue in CYG following the Institutional Entitlement Offer.

If an Eligible Shareholder does not take-up its Entitlement under the Entitlement Offer, its percentage holding in Coventry will be diluted.

Ineligible Shareholders are not entitled to participate in the Entitlement Offer and their percentage holding in Coventry will be diluted.

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 \$1.15 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.

Annexure A – ASX Announcements

ASX RELEASE

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

Underwritten \$15m equity raising to fund acquisition of Torque Industries

26th September 2018

Coventry Group Ltd (ASX: CYG) is pleased to announce the acquisition of Torque Industries (**Torque Industries**) funded through a fully underwritten equity raising.

Highlights

- Coventry Group to acquire South Australian based Torque Industries for \$10.5m.
- Torque Industries' forecast FY19 EBIT is \$2.6m from \$14.0m of revenue.
- Torque Industries expands Coventry Group's Australian presence and positions Cooper Fluid Systems as a leading engineering services business in South Australia.
- The acquisition will be funded through an equity raising of \$15.0m, comprising:
 - An institutional placement to raise approximately \$6.4m; plus
 - An Accelerated Non-Renounceable Entitlement Offer to raise approximately \$8.6m.
- The equity raising is fully underwritten by Bell Potter Securities Limited (**Bell Potter**).
- The acquisition is aligned with plans geared to return the Group to profitability in FY19.

Coventry Group has entered into an agreement to acquire the business and assets of the South Australian based diversified engineering services provider trading under the name Torque Industries for \$10.5m in cash.

The acquisition is subject to standard conditions precedent for transactions of this nature and is expected to complete on 31st October 2018.

The Torque Industries acquisition will be funded through a \$6.4m placement to institutional shareholders and an \$8.6m pro-rata (1 for 5) accelerated non-renounceable entitlement offer (**Entitlement Offer**) to raise a total of approximately \$15.0 million (the Entitlement Offer and placement together being referred to as the **Offer**).

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

“Torque Industries provides Coventry Group with a large and modern South Australian based facility that will generate a more diversified and de-risked revenue stream, also allowing Coventry Group to gain a more stable footing in the South Australian market. Torque is an excellent business and meets all of Coventry Group's acquisition criteria. It has good profitability and a number of identified growth opportunities. We are pleased to welcome Torque Industries owners, Tony Neef, Leigh Thompson and Jethro Laundry, and the Torque team to Coventry Group. This business has developed excellent niches in its market which are a credit to the teams that have built them.”

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 Torque Industries

The business, based in South Australia, was established in 1985 and has grown and developed organically, as well as through acquisitions. Torque Industries has a well-established and respected reputation across a range of segments, including, hydraulics, pneumatics, filtration and automation products.

The business enjoys diversified revenue, sales and service streams, which caters to a range of industry sectors, including industrial, defence, agriculture, mining and manufacturing.

Torque Industries also benefits from strong supplier relationships, which include being an exclusive Australian distributor for Black Bruin, a tier-one Danfoss distributor and a leading distributor to Parker Hannifin in South Australia.

Torque Industries has a strong track record of performance and profitability. In FY19, the business is forecast to generate revenue of \$14.0m and EBIT of \$2.6m.

The acquisition price represents a multiple of 4.0x FY19 forecast EBIT.

Torque Industries' location provides Coventry Group with the unique opportunity to obtain a leading market share position in South Australia.

Acquisition aligned with Coventry Group's strategy

Torque Industries 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
- Diversified customer base with low reliance on mining and resource market
- >\$10m turnover
- Profitable business
- Management retention
- Clear post-acquisition integration and growth strategy
- Disciplined approach to value
- Ability to adapt to ASX corporate culture
- Attractive acquisition metrics

Acquisition funding

The Offer is fully underwritten by Bell Potter. Proceeds from the Offer will be used to fund the acquisition of Torque Industries and related transaction costs. The funds will also be used to expand the TD branch network and to fund working capital.

Under the Entitlement Offer, eligible shareholders are invited to subscribe for one new Coventry Group fully paid share (**New Share**) for every five (5) existing Coventry Group shares held as at 7pm (AEST) on 28th September 2018 (**Record Date**).

All shares offered will be issued at a price of \$1.15 per New Share, which represents:

- a 8.0% discount to the last closing price of \$1.25 on 25th September 2018;
- a 6.1% discount to the theoretical ex rights price of \$1.22 based on the closing price of \$1.25 on 25th September 2018;
- a 9.9% discount to the 30 trading day Volume Weighted Average Price (**VWAP**) up to and including 25th September 2018 of \$1.277; and
- a 7.6% discount to the theoretical ex rights price of \$1.24 based on the 30 trading day VWAP of \$1.277.

Approximately 13.1 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 2nd October 2018.

The retail component of the Entitlement Offer (**Retail Entitlement Offer**) will be open from 3rd October 2018 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 3rd October 2018.

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. The Coventry Group chairman, Neil Cathie, has also entered into a sub-underwriting commitment with Bell Potter to subscribe for up to 150,000 shares under the shortfall under the Entitlement Offer. James Todd, a director of Coventry Group who does not currently hold any shares, has entered into a sub-underwriting commitment with Bell Potter to subscribe for up to 100,000 shares under the shortfall under the Entitlement Offer.

Offer timetable

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

Equity raising timetable		
1	ASX announcement of offer and trading halt	Wednesday 26 th Sept
2	Institutional Entitlement Offer and bookbuild	Wednesday 26 th Sept
3	Trading halt lifted and return to trading on ASX	Friday 28 th Sept
4	Record date for participation in Entitlement Offer	7.00pm (AEST) on Friday 28 th Sept
5	Retail Entitlement Offer opens and despatch of Retail Offer Booklet	Wednesday 3 rd Oct
6	Settlement of placement and Institutional Entitlement Offer	Thursday 4 th Oct
7	Allotment of placement and Institutional Entitlement Offer shares	Friday 5 th Oct
8	Retail Entitlement Offer closes	Friday 12 th Oct
9	Settlement of Retail Entitlement Offer	Thursday 18 th Oct
10	Allotment of Retail Entitlement Offer shares	Friday 19 th Oct
11	Normal trading resumes on all shares	Monday 22 nd Oct

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 Torque Industries 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 (AEST) on Monday to Friday.

- END -

For further information contact:

Robert Bulluss
Chief Executive Officer
(03) 9205 8219

Not for release or distribution in the United States.

This announcement has been prepared for publication in Australia and may not be released to US wire services or distributed in the United States. This announcement does not constitute an offer to sell, or a solicitation of an offer to buy, securities in the United States or any other jurisdiction. Any securities

described in this announcement have not been, and will not be, registered under the US Securities Act of 1933 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.

ASX RELEASE

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

Further information in relation to the acquisition of Torque Industries

26th September 2018

Coventry Group Ltd (ASX: CYG) provides further information in relation to its acquisition of Torque Industries as disclosed in Coventry Group's ASX announcement earlier today.

As stated in Coventry Group's earlier announcement, the acquisition of Torque Industries is subject to standard conditions precedent for transactions of this nature. These include:

- certain key staff entering into new service contracts with Coventry Group;
- the property lease for the business being assigned to Coventry Group on acceptable terms;
- Coventry Group obtaining a contractors' licence from the South Australian Attorney-General's Department to provide plumbing, gas fitting or electrical services in respect of conducting parts of the business;
- Coventry Group being satisfied with the core customer base of the business, and no material adverse change occurring in relation to the business prior to completion; and
- Coventry Group completing the capital raising as announced to ASX earlier today.

The acquisition is expected to complete on 31st October 2018.

- END -

For further information contact:

Robert Bulluss
Chief Executive Officer
(03) 9205 8219

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Annexure B – Investor Presentation

Acquisition of Torque Industries

26 September 2018



Acquisition target – Torque Industries

Compelling strategic rationale

✓	Diversified customer base with low reliance on the mining and resources markets
✓	Meets Coventry's key acquisition criteria:
✓	<ul style="list-style-type: none"> Industrial supply market
✓	<ul style="list-style-type: none"> >\$10m turnover
✓	<ul style="list-style-type: none"> Profitable business
✓	<ul style="list-style-type: none"> Management to be retained
✓	<ul style="list-style-type: none"> Clear post-acquisition integration and growth strategy
✓	<ul style="list-style-type: none"> Disciplined approach to value
✓	<ul style="list-style-type: none"> Ensure ability to adapt to ASX corporate culture
✓	Aligned with plans geared to return the Group to profitability in FY19
✓	Positions Cooper Fluid Systems as a leading engineering services business in South Australia
✓	Attractive acquisition multiple of 4.0x FY19 forecast EBIT



Diversified Engineering Services

Hydraulics ▪ Pneumatics ▪ Filtration ▪ Engineering & Automation

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 Torque Industries, a diversified engineering company providing mainly hydraulic and pneumatic products and services (**Acquisition**); and
- a placement of CYG fully paid ordinary shares (**New Shares**) to sophisticated and professional investors, 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 2001* (Cth) (**Corporations Act**) as modified by ASIC Corporations (Non- Traditional Rights Issues) Instrument 2016/84 (**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.

While the information contained herein has been prepared in good faith, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers give, have given or have authority to give, any representations or warranties (express or implied) as to, or in relation to, the accuracy, reliability or completeness of the information in this Presentation, or any revision thereof, or of any other written or oral information made or to be made available to any interested party or its advisers (all such information being referred to as **Information**) and liability therefore is expressly disclaimed. Accordingly, neither the Company nor any of its shareholders, directors, officers, agents, employees or advisers take any responsibility for, or will accept any liability whether direct or in-direct, express or implied, contractual, tortious, statutory or otherwise, in respect of, the accuracy or completeness of the Information or for any of the opinions contained herein or for any errors, omissions or misstatements or for any loss, howsoever arising, from the use of this Presentation.

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.

This Presentation should not be considered as the giving of investment advice by the Company or any of its shareholders, directors, officers, agents, employees or advisers. Each party to whom this Presentation is made available must make its own independent assessment of the Company after making such investigations and taking such advice as may be deemed necessary. In particular, any estimates or projections or opinions contained herein necessarily involve significant elements of subjective judgment, analysis and assumptions and each recipient should satisfy itself in relation to such matters.

This Presentation does not constitute an offer of New Shares of the Company in any jurisdiction in which it would be unlawful. In particular, this Presentation 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 in the section herein entitled "International offer restrictions". In particular, this Presentation 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 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 pro-forma financial information included in this Presentation is for illustrative purposes and does not purport to be in compliance with Article 11 of Regulation S-X of the rules and regulations of the U.S. Securities and Exchange Commission. Investors should be aware that financial data in this presentation include "non-IFRS financial information" under ASIC Regulatory Guide 230 "Disclosing non-IFRS financial information" published by ASIC and also "non-GAAP financial measures" within the meaning of Regulation G under the U.S. Securities Exchange Act of 1934. Non-IFRS/non-GAAP measures in this presentation include EBITDA, EBIT and NPAT. The Company believes this non-IFRS/non-GAAP financial information provides useful information to users in measuring the financial performance and conditions of the Company. The non-IFRS financial information do not have a standardised meaning prescribed by Australian Accounting Standards and, therefore, may not be comparable to similarly titled measures presented by other entities, nor should they be construed as an alternative to other financial measures determined in accordance with Australian Accounting Standards. Investors are cautioned, therefore, not to place undue reliance on any non-IFRS/non-GAAP financial information and ratios included in this presentation. Financial data for Torque Industries contained in this presentation has been derived from financial statements and other financial information made available by Torque Industries in connection with the acquisition. Such financial information is unaudited and does not purport to be in compliance with Article 3-05 of Regulation S-X under the U.S. Securities Act.

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1. Equity raising overview

Equity raising overview

Offer size and structure

- Equity raising of up to \$15.0 million, comprising:
 - An institutional placement to raise approximately \$6.4m; plus
 - An Accelerated Non-Renounceable Entitlement Offer to raise approximately \$8.6m.
- Under the Entitlement Offer, eligible shareholders are entitled to 1 New Share for every 5 existing ordinary shares held on Friday 28 September 2018
- The Placement and Entitlement Offer are fully underwritten

Offer price

- a 8.0% discount to the last closing price of \$1.25 on 25th September 2018;
- a 6.1% discount to the theoretical ex rights price of \$1.22 based on the closing price of \$1.25 on 25th September 2018;
- a 9.9% discount to the 30 trading day Volume Weighted Average Price (VWAP) up to and including 25th September 2018 of \$1.277; and
- a 7.6% discount to the theoretical ex rights price of \$1.24 based on the 30 trading day VWAP of \$1.277.

Institutional offer

- The Institutional Offer comprises both the Institutional Placement and 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 will be conducted on Wednesday 26 September 2018

Retail entitlement offer

- The Retail Entitlement Offer opens on Wednesday 3 October 2018 and is scheduled to close on Friday 12 October 2018
- 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 Placement and Entitlement Offer will be used by Coventry to fund the acquisition of Torque Industries and associated transaction costs, Trade Distribution branch expansion 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

Source and uses of funds

Sources	A\$M	Uses	A\$M
Gross proceeds from the equity raising	15.0	Acquisition of Torque	10.5
		Transaction costs, Trade Distribution branch expansion and working capital	4.5
Total sources of funds	15.0	Total use of funds	15.0

Equity raising timetable

ASX announcement of offer and trading halt	Wednesday 26 September
Institutional offer and bookbuild	Wednesday 26 September
Trading halt lifted and return to trading on ASX	Friday 28 September
Record date for participation in ANREO	7.00pm (AEST) Friday 28 September
Retail Entitlement Offer opens and despatch of Retail Offer Booklet	Wednesday 3 October
Settlement of Placement and Institutional Entitlement Offer	Thursday 4 October
Allotment of Placement and Institutional Entitlement Offer shares	Friday 5 October
Retail Entitlement Offer closes	Friday 12 October
Settlement of Retail Entitlement Offer	Thursday 18 October
Allotment of Retail Entitlement Offer shares	Friday 19 October
Normal trading resumes on all shares	Monday 22 October
Annual General Meeting	Thursday 25 October

2. Business update

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 (43 in Australia and 14 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.

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 snapshot

Financial snapshot

Share price (25-Sep-2018)	\$1.25
Shares outstanding	37.4m
Market capitalisation	\$46.7m
Cash (30-Jun-2018)	\$5.0m
Debt (30-Jun-2018)	\$0.0m
Enterprise value	\$41.7m

Substantial shareholders

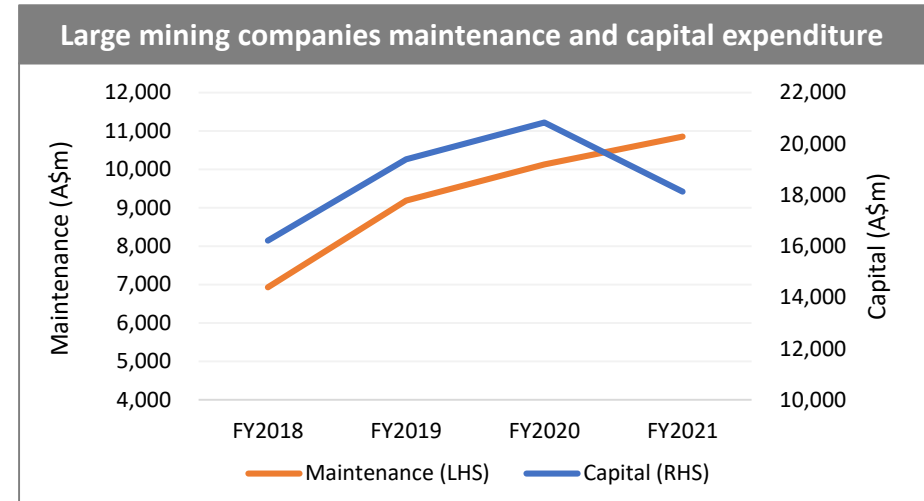
Viburnum Funds	19.5%
Intrepid Capital	7.7%
Sandon Capital	6.1%
Top 20 shareholders	61.1%

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

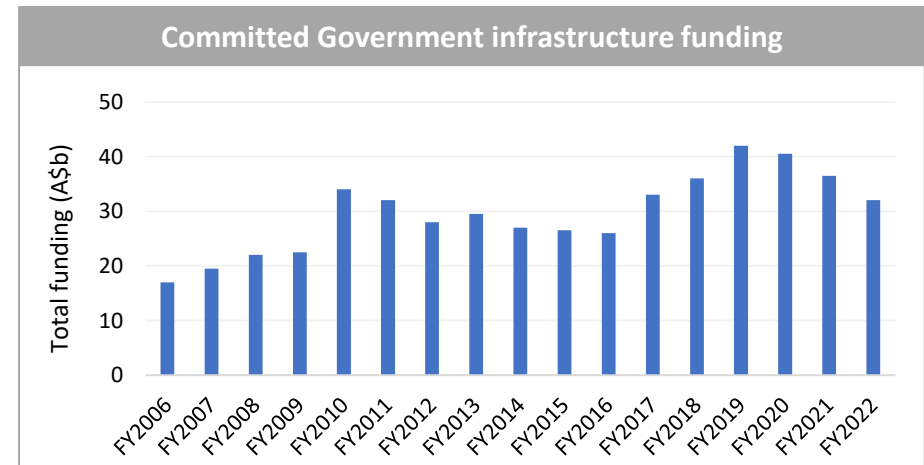


Market overview

- **Core markets = attractive and buoyant**
 - Mining and resources
 - Increase in service, repair and maintenance work expected to continue
 - Construction/infrastructure
 - Significant infrastructure spend underway and commercial construction market remains strong
 - Industrial
 - Increased activity in commercial and infrastructure projects
- **Wide geographic coverage enables better customer service**
 - Australia: national presence for TD and CFS
 - New Zealand: TD
- **Fragmented markets with few large competitors**
 - Market share estimated to be less than 10% in all segments
 - Significant growth opportunities exist for both business units



Source: Large listed mining companies (S&P Capital IQ)



Source: Infrastructure Partnerships Australia

Coventry's value position

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



Turnaround progress – FY18 snapshot

- Sales +11.7%
 - Up to \$168.7m (\$151.0m FY17)
 - Increased average stock availability across all branches of 96% (FY17: <75%)
- Underlying EBIT improvement of +\$6.4m
 - Full year loss of \$6.1m (up from -\$12.5m in FY17)
- Net Tangible Assets per share \$1.30
- No debt at 30 June 18
 - Net Cash of \$5.0m.
- Improved customer and employee Net Promoter scores
- Strategic sale of AA Gaskets generated \$13.1m cash for CGL (72.5%) to pay down debt and strengthen balance sheet

Employees engagement

Improvement in net promoter score of 40.1% (FY17: -31.2%)

Source: Internal employee engagement survey

Stock availability

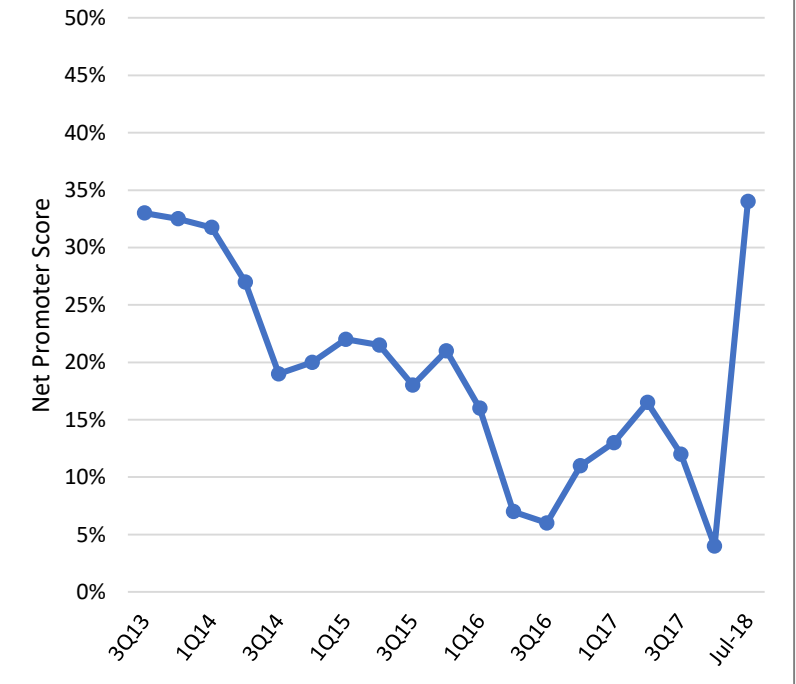
Average stock availability of 96% (FY17: <75%)

Source: across all TDA branches

Customers

Net promoter score improved to 33.9% (FY17: 4.3%)

Konnect Promoter Score trend



Source: Independent customer survey conducted by The Leadership Factory.

Note: A good score is between 10% and 50%.

Corporate snapshot

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
- 7 years with a chartered accountancy firm early in his career as well as other CFO roles
- Graduate of the Australian Institute of Company Directors and director of and advisor to a number of private companies



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

3. Torque Industries

Torque Industries – History and key milestones

- Overview

- Torque Industries (“Torque”) is a diversified engineering company providing mainly hydraulic and pneumatic products and services
- Founded in 1985
- Key industry segments include defence, agriculture, industrial and mining industries
- Headquartered in Adelaide in a 3,000sqm office and warehouse in Athol Park
- Diversified revenue streams covering products and services
- Strategic supplier relationships
- FY19 forecast sales of \$14m and EBIT of \$2.6m

- History and key milestones

1985	<ul style="list-style-type: none">• Torque commences operations, primarily supplying hydraulic parts and components to various industries including agriculture, mining, defense, OEM's and process manufacturers• The business evolves, diversifying to include motion and control system design, build, supply, installation, commission and maintenance and repair (in-house and on-site)
2004	<ul style="list-style-type: none">• Torque relocates to a 3,000sqm head office in Athol Park, SA to accommodate capacity requirements stemming from an array of services and business growth
2008	<ul style="list-style-type: none">• Torque acquires Hydra-Pac Waste Systems, a specialist designer and manufacturer of vertical and horizontal baling equipment with over 30 years of industry experience
2012	<ul style="list-style-type: none">• Torque acquires IPS Automation, a specialist in pneumatics, vacuum technology and gas generation

Torque Industries – Products and services

Sales

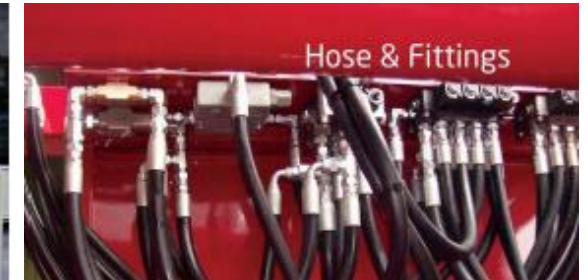
- Distributes an extensive range of equipment, accessories and spare parts
 - Hydraulics, pneumatics, gas generation equipment, filtration products, hoses & fittings, vacuum equipment and material handling
- Global strategic relationships with an extensive range of suppliers such as Parker, Denison, Monarch, Sun Hydraulics, Larzep and Black Bruin

Service

- Provides repairs and services in the event of emergency breakdown, trouble-shooting or scheduled maintenance
 - Operates a repair centre and mobile fleet

Solutions

- Works alongside customers' engineers, site managers and maintenance teams to develop tailored solutions
 - Solutions cover mechanical engineering, automation and waste and recycling

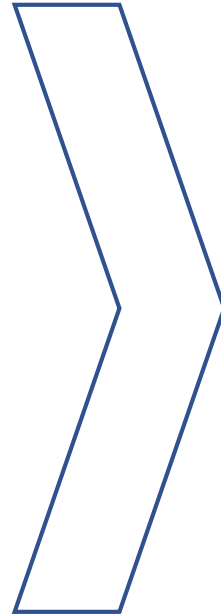


Torque Industries – Market segments

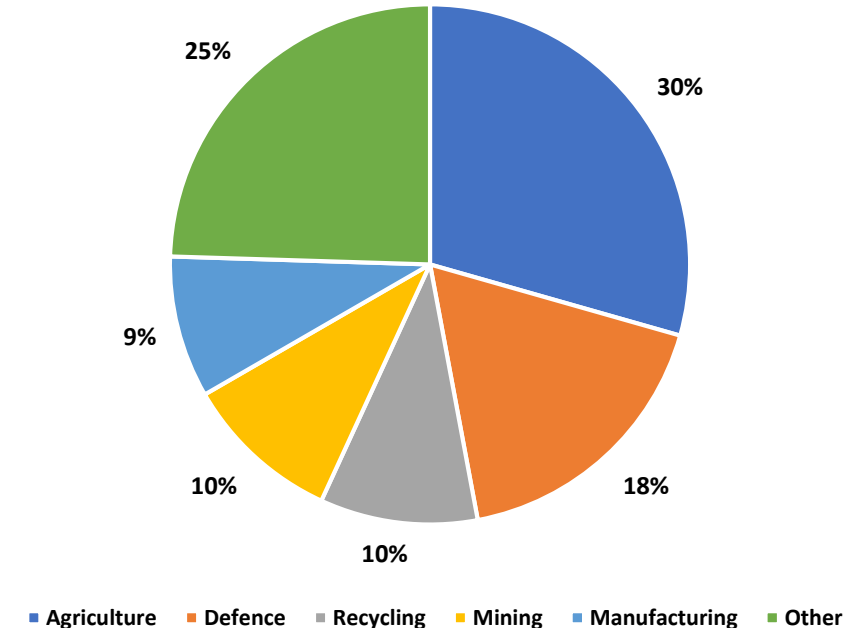
Diversification of revenue through a broad segment exposure offers de-risk to Coventry.

Key Market Segments

- Defence
- Agriculture
- Recycling
- Manufacturing
- Mining



FY18 Revenue by Industry Sector



Source: Coventry and Torque

Torque Industries – Market segments

Growth Opportunities

- Ship building
 - The Future Submarine program
 - The Future Frigate program
- Infrastructure
- Renewable energy
- Industrial
 - Manufacturing repairs and maintenance
 - Heavy machinery repairs and maintenance
 - Fluid power equipment distribution

Renewable energy



Ship building



Industrial



Infrastructure demand



Torque Industries – Management team

Experienced management team

Name	Role	Responsibilities	Tenure (years)
Leigh Thompson	General Manager	Oversees business operations and leads the management team	8.0
Jethro Laundry	Sales/Marketing Manager	Oversees the sales function and active involvement in system design	10.0
Les Tytula	Engineering Manager	Mechanical design authority, supervising the engineering team	7.9
Julie Loader	Administration Manager	Managing administration and accounts	21.6
Shane Kemp	Operations Manager	Managing workshop resources and supervising technical staff	3.3
Fred Carabott	Supply Chain Manager	Managing supply chain function including goods inbound and outbound	10.5
Tony Neef	Business/Project Development	Customer business development and customer acquisition	19.8

4. Combined Group profile

Acquisition financial impact

Attractive acquisition multiple

Acquisition price	→ \$10.5m
Sales FY19 forecast	→ \$14.0m
EBIT	
• FY19 forecast	→ \$2.6m
• Average FY15-19	→ \$2.3m
• FY19 forecast EBIT Margin	→ 18.6%
Acquisition multiple	
• Based on FY19 EBIT	→ 4.0x
• Based on average EBIT	→ 4.5x ¹

Source: Torque. Torque financial information is unaudited
Note 1: Based on FY15-19 average EBIT

Delivers immediate earnings to CYG

- Acquisition aligned with CYG's plans to return to Group profitability in FY19
- Expected completion on 31 October 2018
 - 8 months profit contribution
 - FY19 forecast EBIT contribution in the order of \$1.7m
- Positive impact on EPS, ROIC and ROE

Adds to CYG's ability to generate cash

- High EBITDA cash conversion
- Low capex requirements

Coventry existing business base earnings

- All plans geared to return the Group to profitability in FY19
- FY19 will see the full year impact of sales and margin initiatives, loss making branch closures and consolidations and the DC rationalization project in TDA
- Group sales growth has continued in FY19
- Torque will assist plans geared to return the Group to profitability in FY19

(A\$m's)	FY17		FY18	
	Sales	Underlying EBIT	Sales	Underlying EBIT
TDA	70.9	-7.5	73.3	-6.1
TDNZ	26.1	2.3	30.0	3.1
TD	97.0	-5.2	103.3	-3.0
CFS	54.0	2.6	65.4	5.0
Corporate	-	-9.9	-	-8.1
Total	151.0	-12.5	168.7	-6.1

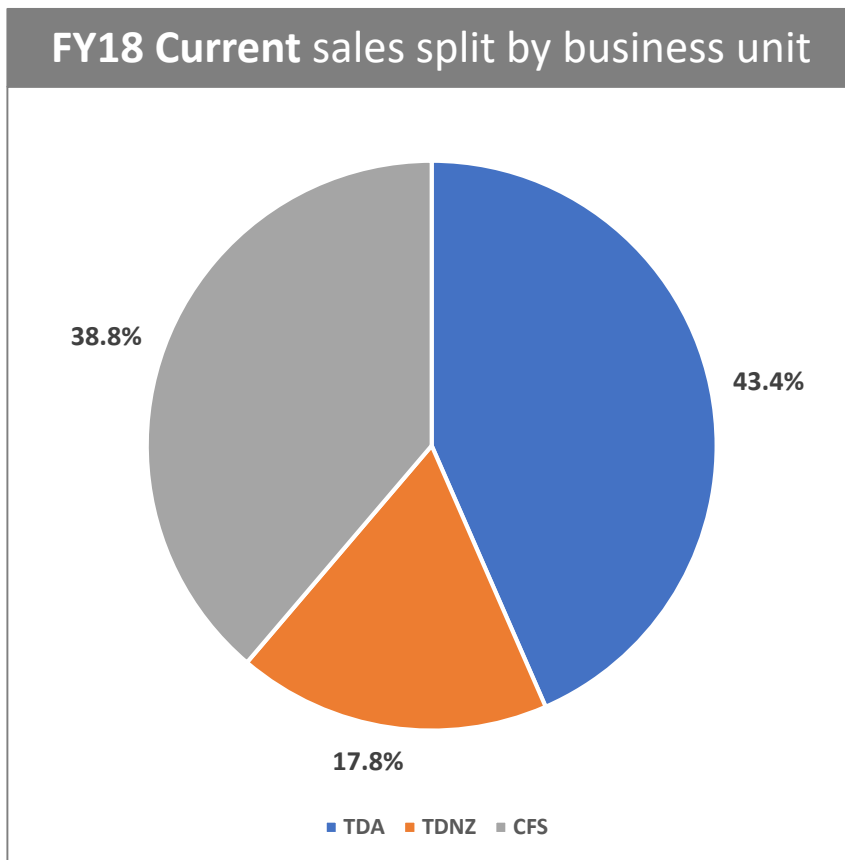
(A\$m's)	FY17	FY18 (1) (2)
Revenue from sale of goods	151.0	168.7
Underlying EBITDA	-9.7	-4.7
Underlying EBIT	-12.5	-6.1
Loss from Continuing Operations	-37.7	-8.3
Net cash	-2.9	5.0
Net Tangible Assets p/s (\$)	1.30	1.30
Share price at year end	0.60	1.35

Notes:

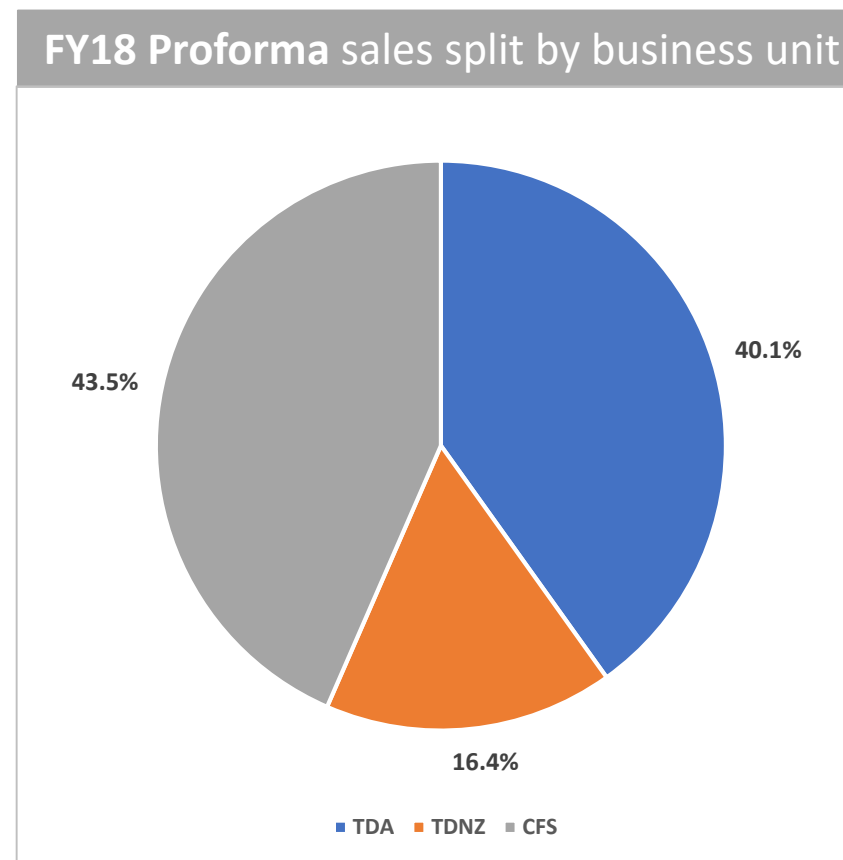
1. Excluding the discontinuing operations of AA Gaskets
2. Excluding the profit on sale of the AA Gaskets assets

Pro forma combined Group profile

Cooper Fluid Systems surpasses Trade Distribution Australia as the largest business unit by sales following acquisition.



Source: Coventry announcements and Torque



Note1: \$14m of new sales contribution from Torque acquisition

Pro forma balance sheet

(A\$m's)	Coventry Jun-18	Torque Jun-18	Equity Raising	Pro forma Jun-18
Cash & cash equivalents	5.0	-10.5	14.0	8.5
Inventories	46.4	1.3	-	47.7
Trade and other receivables	30.5	1.8	-	32.3
Total current assets	81.9	-7.4	14.0	88.5
Property, Plant & Equipment	4.6	0.2	-	4.8
Intangible assets	6.1	8.7	-	14.8
Deferred tax assets	6.1	-	-	6.1
Other non-current assets	-	-	-	-
Non-current assets	16.8	8.9	0.0	25.7
Total assets	98.7	1.5	14.0	114.2
Trade and other payables	30.5	0.7	-	31.2
Other current liabilities	4.2	0.8	-	5.0
Current liabilities	34.7	1.5	-	36.2
Non-current liabilities	3.4	-	-	3.4
Non-current liabilities	3.4	-	-	3.4
Total liabilities	38.1	1.5	-	39.6
Total equity	60.6	0.0	14.0	74.6

Note:

1: Equity raising of \$15.0m less issue costs of \$1.0m

2: Goodwill equals \$10.5m acquisition less \$1.8m net assets acquired

4: Torque figures based on unaudited management accounts

- Remains debt free
- Balance sheet excludes \$71.6m in tax losses to offset future profits

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 early stages of FY19
3 Our key markets are performing well	In mining and resources, construction and industrial sectors
4 Strong balance sheet	No debt and finance facilities in-place and available
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



All plans geared to return the Group to 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 Torque, 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 (in addition to any dilution as a result of the Placement).

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.

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 Torque) 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 Torque Business Acquisition Deed 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.

Torque performance risks

There is an inherent risk that the underlying assets of Torque 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

- 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 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 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 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.

Glossary

Defined Term	Meaning
Additional New Shares	New Shares in excess of a Shareholder's Entitlement.
Allotment Date	Friday, 19 October 2018.
Application	an application for New Shares under the Retail Entitlement Offer.
Application Monies	monies received from an applicant in respect of their Application.
ASIC	Australian Securities & Investments Commission.
ASX	ASX Limited (ACN 008 624 691) and, where the context requires, the financial market that it operates (i.e., the Australian Securities Exchange).
ASX Announcements	the announcements released to ASX on Wednesday, 26 September 2018 in relation to the Entitlement Offer and annexed as Annexure A to this Retail Offer Booklet.
ASX Listing Rules	the listing rules of ASX.
Board	the board of directors of Coventry.
Coventry	Coventry Group Limited (ACN 008 670 102) (ASX: CYG).
Corporations Act	<i>Corporations Act 2001</i> (Cth).
Eligible Institutional Shareholder	an Institutional Shareholder which has been invited to participate in the Institutional Entitlement Offer.
Eligible Retail Shareholder	a Shareholder on the Record Date who: <ul style="list-style-type: none"> • 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.
Eligible Shareholder	an Eligible Institutional Shareholder or an Eligible Retail Shareholder.
Entitlement	the entitlement to subscribe for 1 New Share for every 5 Shares held on the Record Date by Eligible Shareholders.
Entitlement and Acceptance Form	the Entitlement and Acceptance Form accompanying this Retail Offer Booklet upon which an Application can be made.
Entitlement Offer	the offer of New Shares under the Institutional Entitlement Offer and the Retail Entitlement Offer.
Ineligible Shareholder	a Shareholder that is neither an Eligible Institutional Shareholder nor an Eligible Retail Shareholder.
Institutional Entitlement Offer	the offer of New Shares to Eligible Institutional

	Shareholders and Institutional Investors, as described in Section 1.2.
Institutional Investor	<p>a person:</p> <ol style="list-style-type: none"> 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 26 September 2018 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 \$1.15 per New Share.
Limited Parties	has the meaning in Section 4.12.
New Shares	Shares offered under the Entitlement Offer.
Offer Materials	has the meaning in Section 4.12.
Offers	has the meaning in Section 4.12.
Placement	the placement of Shares to Institutional Investors announced by the Company on 26 September 2018.
Record Date	7.00pm (Melbourne time) on Friday, 28 September 2018.
Registry	Computershare Investor Services Pty Limited.
Retail Closing Date	5.00pm (Melbourne time), Friday, 12 October 2018.
Retail Entitlement Offer	the offer of New Shares to Eligible Retail Shareholders, as described in Section 1.3.
Retail Offer Booklet	this booklet dated 26 September 2018, including the ASX Announcements 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.

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