

MARKET RELEASE

16 November 2020

Further Update on Sale and Leaseback of Auckland Property

Cavalier Corporation Limited (NZX: CAV) advises that its wholly-owned subsidiary, Cavalier Bremworth Limited, has terminated its contract with Kinleith Land and Infrastructure Limited for failure to pay its deposit under the agreement for sale and purchase of Cavalier's Auckland property, while still reserving the legal remedies available to it.

Cavalier further advises that Cavalier Bremworth has also entered into a new sale and purchase agreement with another third party on terms substantially the same as the previous agreement, except for the requirement of Cavalier to guarantee the obligations of Cavalier Bremworth under the lease and the increase in the purchase price of the Auckland property to \$25.5 million (an increase of \$900,000).

A deposit has been paid, and this new agreement is now only conditional upon either Cavalier shareholder approval for the purposes of NZX Listing Rule 5.1.1, which will be sought at the Annual Meeting of shareholders (to be held online on Wednesday, 23 December 2020), or a waiver being obtained from NZX from the need to obtain such shareholder approval, given the transaction is on substantially the same, or more favourable, terms as the previous agreement which was overwhelmingly approved by shareholders at the Special Meeting in September.

Chair of Cavalier, George Adams, said: "We received significant interest from various parties following our announcement on 9 November and are pleased to have signed this agreement with a well-recognised, credible property investor. We expect settlement in the near future, following receipt of an NZX waiver or shareholder approval.

"This is a positive step forward for the Company. While we have sufficient headroom in the near term to continue the execution of our strategy, the property sale provides us with additional support and funding over the next few years until we begin to realise the financial benefits of our transformation."

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