



DIAMOND

ESTATES

THE WINERY

Corporate Presentation
February 2017



Forward-looking Information



This presentation contains forward-looking statements, which can be identified by the use of the forward-looking terminology, such as but not limited to “may,” “intend,” “will,” “expect,” “anticipate,” “estimate,” “seek,” or “continue” or the negative thereof or other variations thereon or comparable terminology. In particular, any statements, express or implied, concerning trends, future operating results, growth, performance, business prospects and opportunities or the ability to generate revenues, income or cash flow are forward-looking statements. These statements reflect management’s current beliefs, including beliefs as to future financial and operating results, and they are based on information currently available to management. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered reasonable by management, are inherently subject to known and unknown risks and uncertainties. Such risks include but are not limited to: the impact of general economic conditions, market volatility, fluctuations in costs, and changes to the competitive environment, as well as other risks disclosed in the public filings of Diamond Estates Wines & Spirits Inc. (“Diamond Estates”) publicly filed press releases and sedar filings under Whiteknight Acquisitions II Inc. (“Whiteknight”) (collectively “Diamond Estates”) which can be found at www.sedar.com

These factors should be considered carefully and undue reliance should not be placed on forward-looking statements. Although the forward-looking statements are based upon what management believes to be reasonable estimates and assumptions, Diamond Estates cannot ensure that actual results will not be materially different from those expressed or implied by these forward-looking statements.

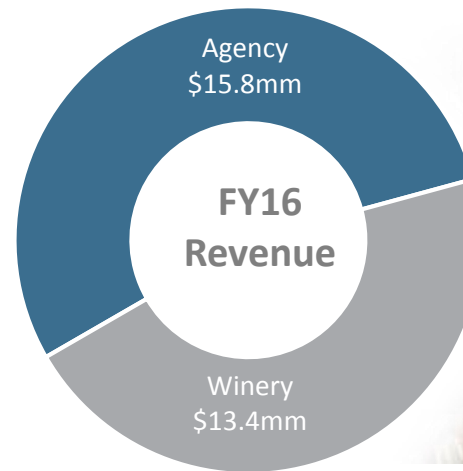
Unless specifically required by law, Diamond Estates does not assume any obligation to update or revise these forward-looking statements to reflect new events or circumstances. Diamond Estates seeks safe harbor.



Diamond Estates Overview



Diamond Estates is a leading Canadian **producer and distributor** of wine & spirits



WINERY

- Two wineries with 4.7 million litres of capacity in the internationally renowned Niagara region
- Sell domestically through government liquor stores, licensees, grocery chains
- Sell internationally through authorized distributors
- Won 37 awards for wines introduced in 2016 (30 for wines introduced in 2015)
- 3rd largest VQA producer

AGENCY

- Imports and distributes wine and spirits across Canada through the Kirkwood Diamond Canada partnership (of which it owns a majority interest)
- Consistent cash flow producer with complementary product line

Vision: To become one of the top 3 Canadian wine producers



Murray Souter: CEO, Director of Wine & Grower Alliance of Ontario and Canadian Vintners Association

Mr. Souter comes to Diamond Estates with significant experience in consumables. Prior to joining Diamond Estates in 2013, Mr. Souter held several executive level roles at organizations such as Black's Photography, Sprint Canada, Bell Aliant, Bauer, Reebok and Nabisco. Mr. Souter holds a Hons. B.B.A. (Business) from Wilfrid Laurier University.

Alan Stratton, CPA, CA: CFO

Mr. Stratton comes to Diamond Estates with two decades of progressive financial experience beginning at PricewaterhouseCoopers and more recently as CFO of MaRS Innovation.

Thomas Green: VP of Winemaking and Winery Operations

Mr. Green comes to Diamond Estates with rich experience in winemaking dating back to his childhood. Prior to joining Diamond Estates in 2005 (as part of the Diamond's acquisition of Niagara Cellars), Mr. Green worked at Lakeview Cellars. He has a Cool Climate Oenology and Viticulture degree from Brock University.

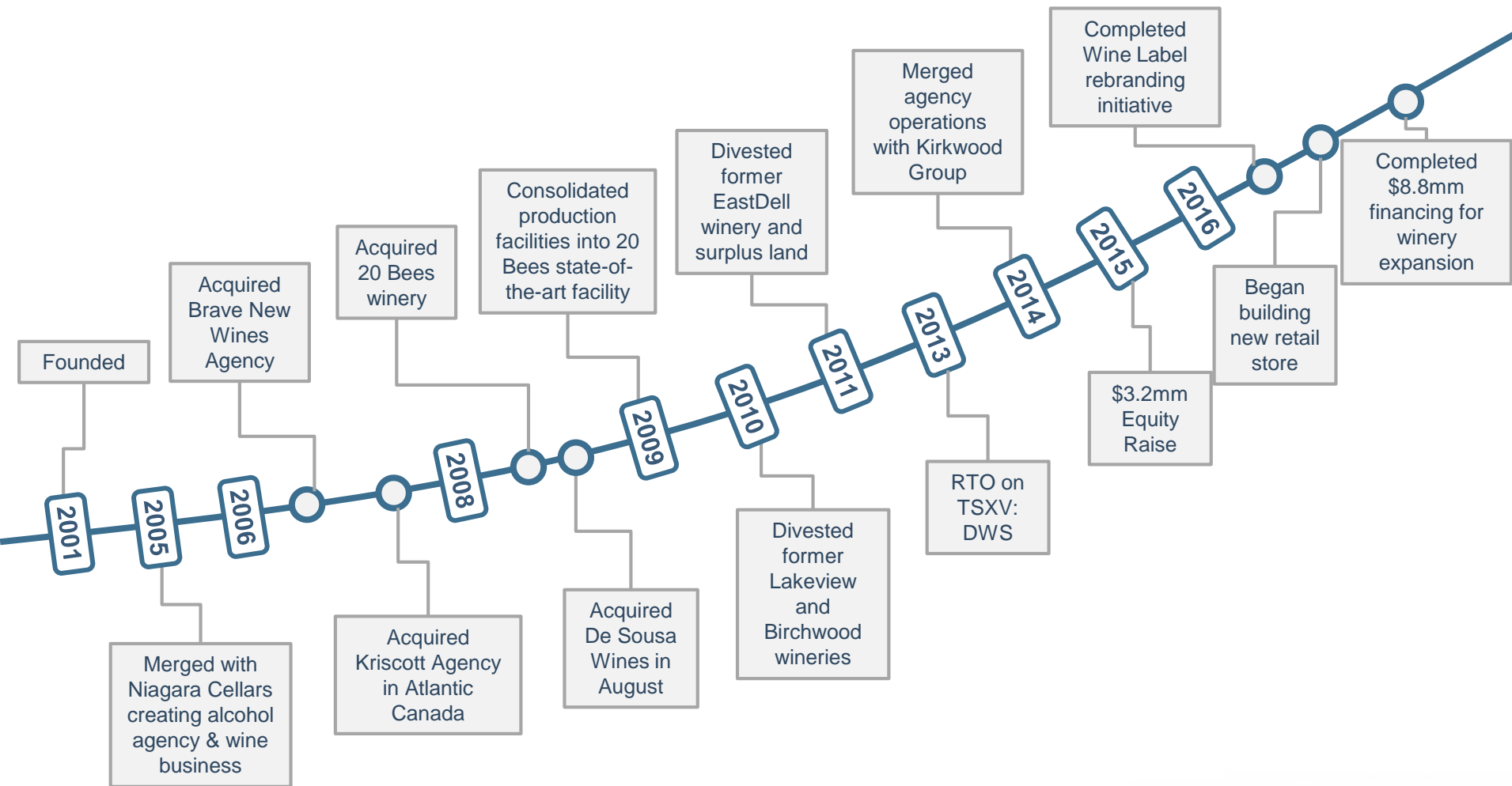
Tim McChesney: VP Marketing and Brand Development

Tim McChesney has over 30 years experience in marketing, marketing communications, brand strategy and development. His experience spans both client and agency environments, including senior roles at a leading wireless company in Canada and a major retail and entertainment venue in the U.S.



Experienced team managing growth

Our Journey



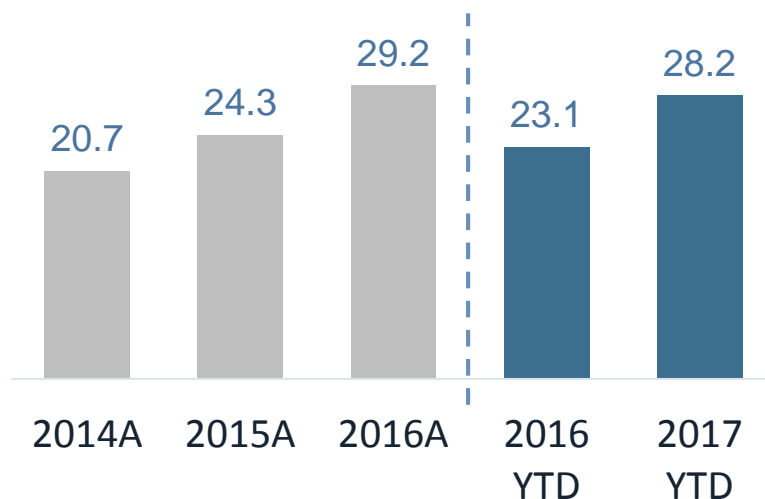
Positioned now to capitalize on very positive industry and company-specific opportunities



Financial Summary¹

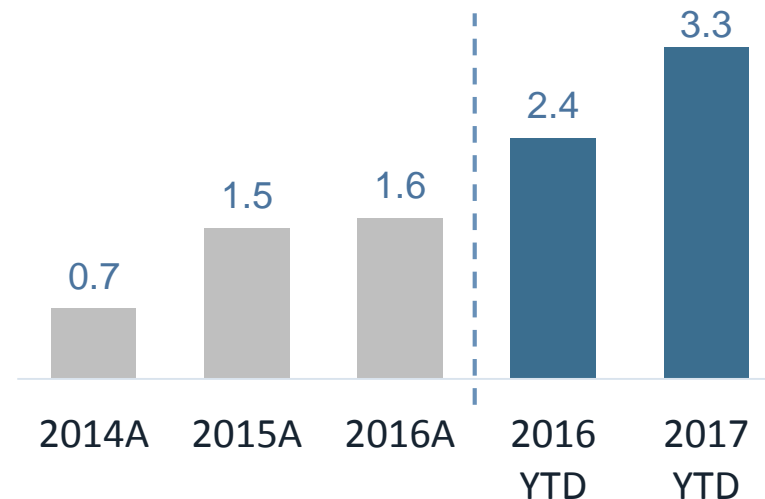
Revenue

(in millions of Canadian dollars)

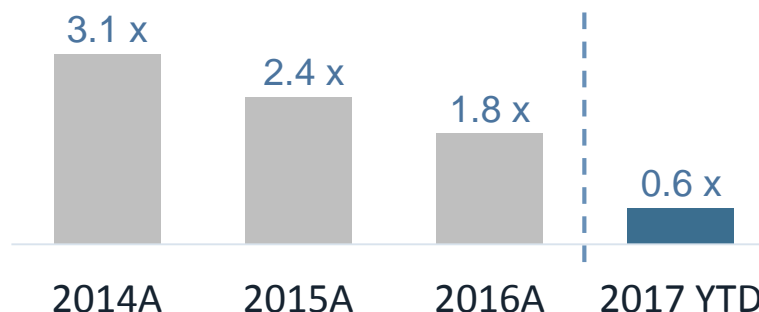


EBITDA

(in millions of Canadian dollars)



Debt/Equity



Initiatives undertaken by Diamond management have created a pattern of revenue growth and debt reduction



- 
- 1 Canadian/Ontario wine industry benefiting from positive domestic growth trends and transformative regulatory changes
 - 2 Diamond Estates is positioned as a leading Ontario producer and distributor of wine and spirits
 - 3 Generating robust growth in export business through established relationship with large Chinese distributor
 - 4 Opportunity to expand production capacity to meet robust demand and simultaneously lower unit costs
 - 5 Proven success as consolidator in highly fragmented market

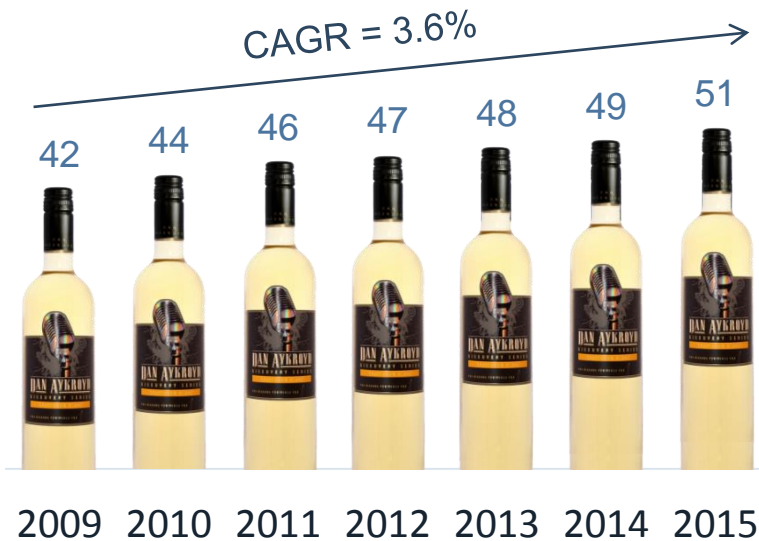
Positive Trends in the Canadian Wine Industry

Canadian wine market dynamics remain positive:

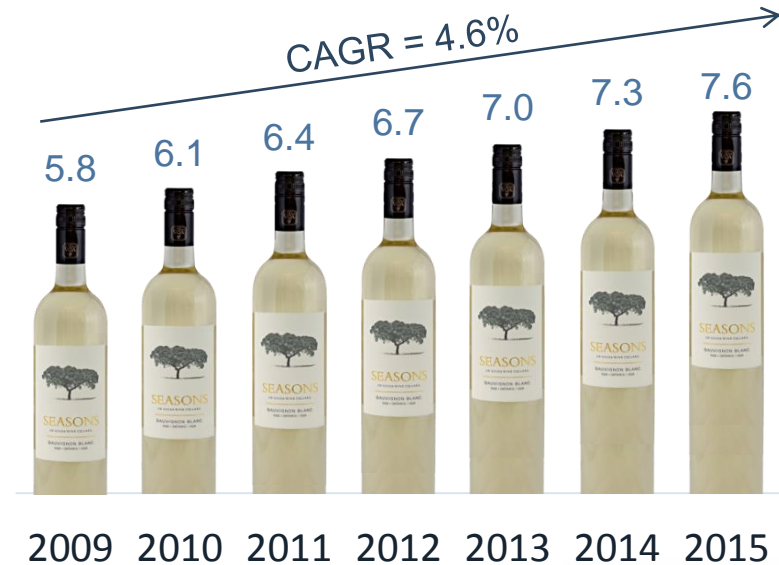
- Canadian alcohol consumption has experienced mid-single digit growth over the past several years, with Canadians drinking 546mm litres of wine in 2015⁽¹⁾
- Per capita wine consumption expected to increase by 4.1% to 16.4 litres in 2018⁽²⁾
- Millennials are now the largest wine consuming cohort



Millions of 9 Litre Cases⁽³⁾



Retail Sales in Billions⁽³⁾



Source: (1) Euromonitor (2) International Wine and Spirit Research, 2015 (3) Association of Canadian Distillers

Strong recent trends expected to continue



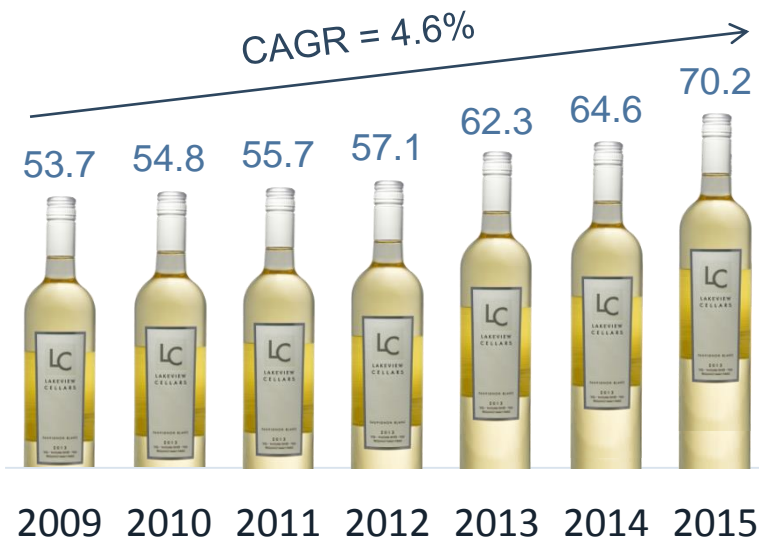
Positive Trends in the Ontario Wine Industry

Ontario wine market is robust, particularly in the VQA segment:

- Wine sales increased by 6.8% to 181mm litres in 2015
- Wine being introduced in grocery stores
- Ontario VQA wine: 26% of 2015 domestic wine sales, 11% of all wine sales



Ontario - Millions of Litres



Ontario VQA - Millions of Litres



Ontario VQA market represents tremendous opportunity

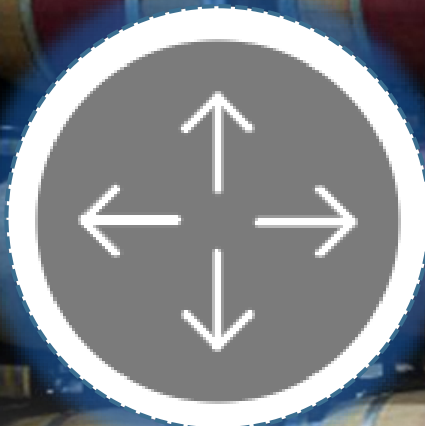


- 1 Strong support for Ontario wine industry with emphasis on VQA wines
- 2 Wine buying behaviours expected to shift towards grocery, and by default VQA labels
- 3 New opportunity to sell within existing private wine store network
- 4 Diamond's strong consumer brands and continuity of supply uniquely positions it to benefit from this shift

Ontario is driving a retail revolution with the introduction of wine in grocery



Growth Opportunities



**Multiple internal
growth initiatives**



**Leverage growing
export business**



**Consolidation within
fragmented market**






















**Expand production
capacity**

Diamond is poised to benefit from several positive growth opportunities



Multiple Internal Growth Initiatives

	BRAND	PRICE	AWARDS
	20 Bees is the wine you love to come home to. It's your "just because wine."	\$10.95-\$11.95	 
	FRESH Wines help celebrate who you are and what matters to you. A mix of blends, sparkling and sweeter style wines	\$12.95-\$15.95	  
	EastDell is the wine for your every special reason.	\$13.95-\$14.95	  
	McMichael Collection Group of Seven Wines. A portion of the proceeds from the Chardonnay & Cab Merlot support the Canadian Art Collection at McMichael.	\$14.95	  
	Lakeview Cellars – A premium, award-winning brand crafted for special occasions. Available in limited varietals,	\$20+ \$19.95-\$29.95	  

Diamond is currently the 3rd largest VQA producer in Ontario with a 10% market share



Multiple Internal Growth Initiatives

Building New Retail Store

- 2,500 square feet
- Completion: Spring, 2017
- Tasting area
- Retail sales operation
- Drives volume sales both at facility and in stores
- Higher margins



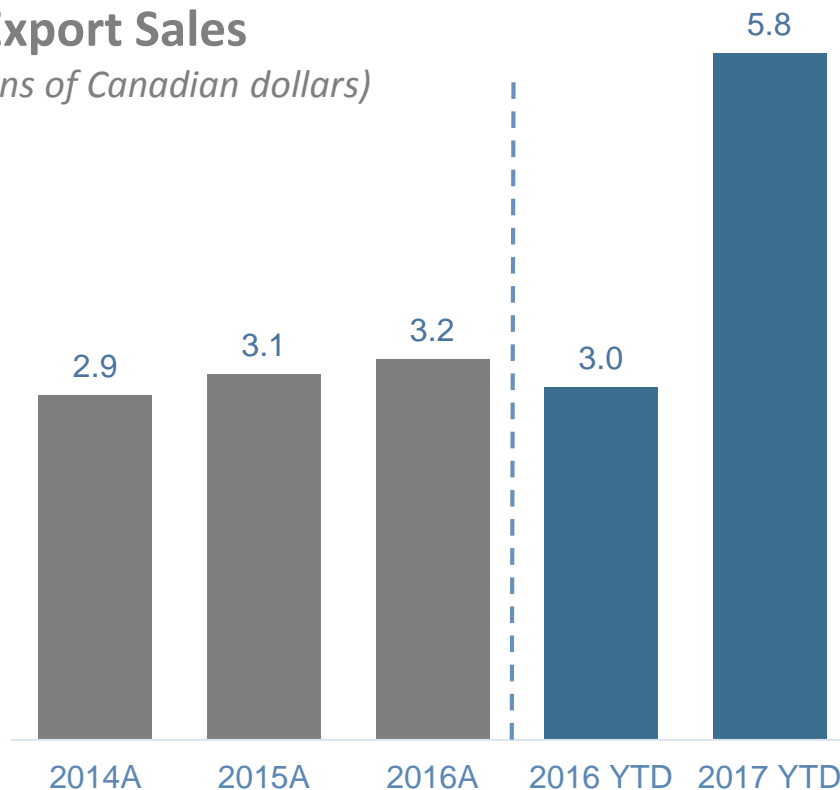
New facility enhances Diamond Estates' profile
and profitability

Leverage Growing Export Business

Leverage Asian Demand for Substantial Increase in Export Sales

DWS Export Sales

(in millions of Canadian dollars)



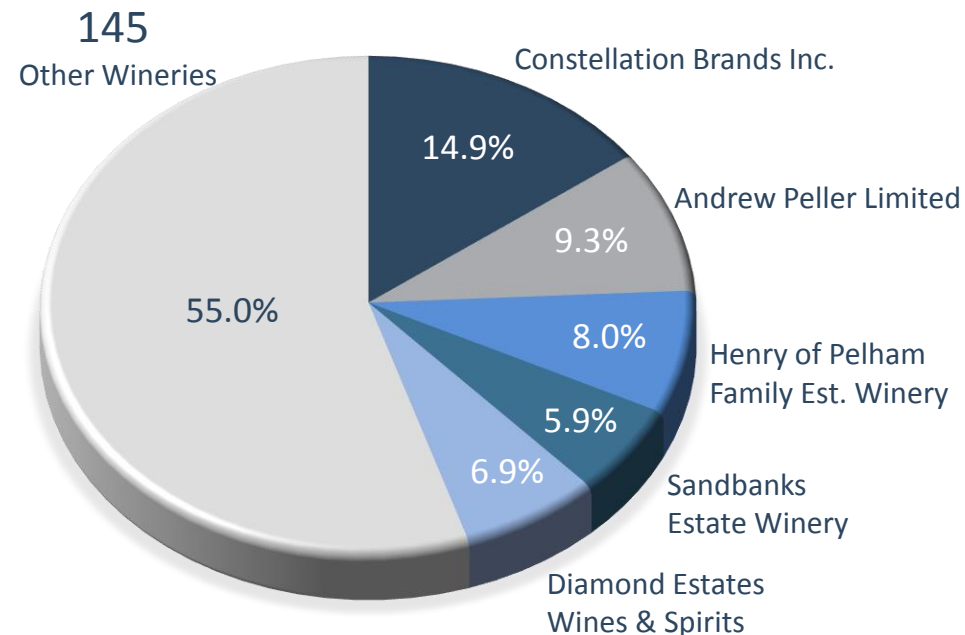
F2017 sales growth underlines potential of increased distributor focus



Consolidate Within Fragmented Market

- Consolidation expected to continue in the highly fragmented Canadian winery landscape
- Diamond has proven success with acquiring and integrating wineries
 - 9 winery and agency business acquisitions/mergers completed over the past few years
- Numerous opportunities to acquire alcohol-based businesses and leverage the Company's infrastructure to enhance profitability
- Most wineries too small to move the needle for Constellation but are perfect for Diamond

Fragmented Ontario Retail VQA Market ⁽¹⁾

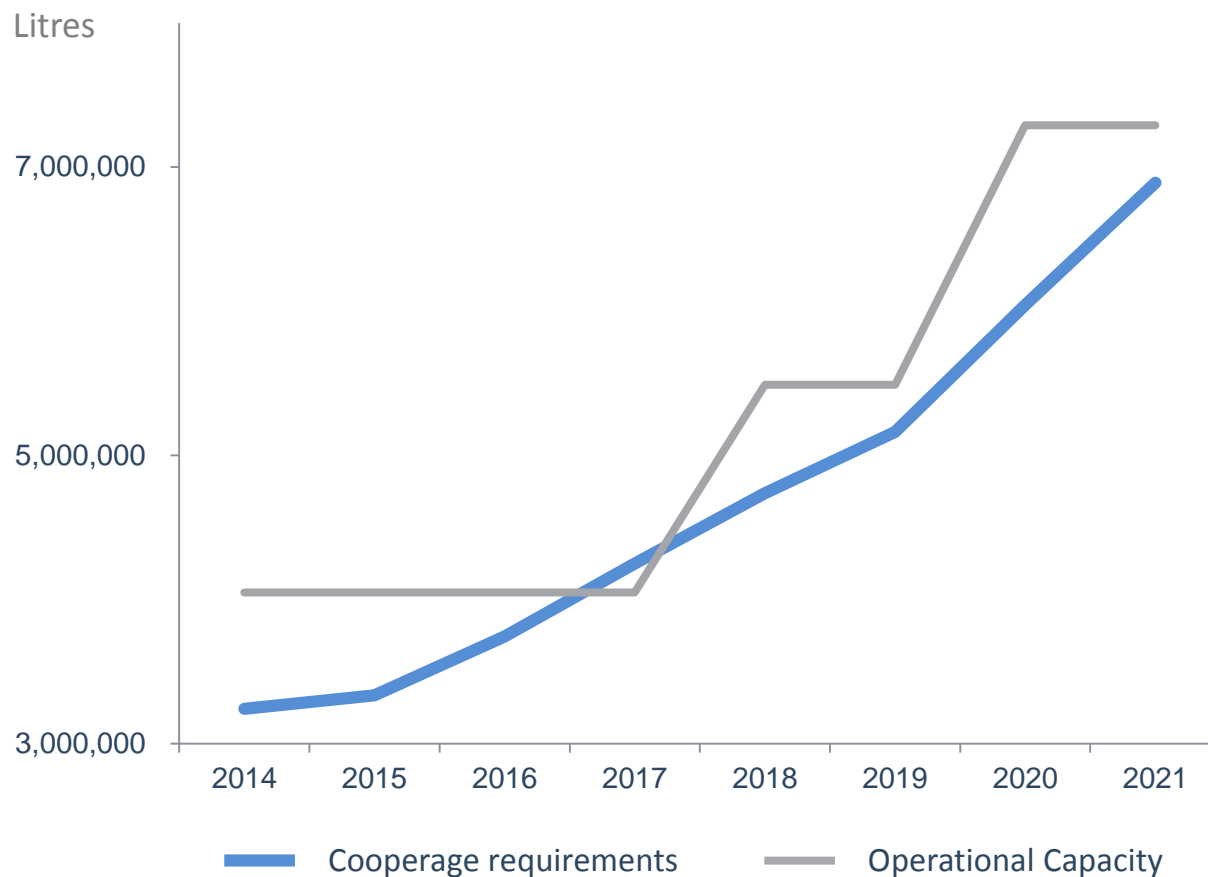


Source: (1) LCBO data

Diamond is Ideally Positioned to Benefit from
Acquisitions/Mergers



Expansion of Production Capacity



Incremental production enhances the Company's operating leverage





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