

Primed & ready for take-off

Annual Meeting
September 27, 2017

Important Notice



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 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 harbour.



The following risk factors should be carefully considered in evaluating an investment in Diamond Estates. The risks presented below may not be all of the risks that Diamond Estates may face. It is believed that these are the factors that could cause actual results to be different from expected and historical results. New risks may emerge and management may not be able to predict all of them, or be able to predict how they may cause actual results to be different from those contained in any forward-looking statements:

- Diamond Estates has a limited business history
- Additional financing may be required
- There is no assurance of profitability
- Diamond Estates depends on key management and personnel
- Government regulation of liquor industry can affect Diamond Estates' business
- Agricultural risk due to dependence on consistent supply of quality grapes
- There is significant competition in the industry
- The global financial crisis and market conditions continue to effect the economy generally
- Inability to manage growth could have a material adverse effect
- Diamond Estates has incurred indebtedness and must make interest payments and comply with other covenants in order to avoid defaulting under this debt
- Diamond Estates may need to issue debt in future
- Any investment may be subject to future dilution
- Price volatility of publicly traded securities in the market generally is a risk
- Certain directors may have conflicts of interest
- Diamond Estates has not paid dividends and will not be doing so in the foreseeable future
- Success depends on labour costs; shortages and adverse labour relations can have an adverse effect
- There are foreign exchange risks for inventories purchased in a foreign currency
- Energy costs could increase resulting in increased prices
- Taxation of alcoholic beverages is subject to change
- Trademarks protection is not assured
- Capacity, inventory, warehouse and distribution systems are of critical importance
- Wholesale cost increases can have material adverse effect on operations



2017 – Solidifying the Foundation

- ❖ A new vision for the winery
- ❖ Financial sustainability + investing for growth
- ❖ Lakeview Wine Company
- ❖ Seizing the grocery opportunity
- ❖ Continued export growth
- ❖ Disciplined brand focus
- ❖ Operational control of KDC



VISION

*To set the highest standards for **superior quality and superb value** in VQA wines, to which all other producers aspire.*

MISSION

To delight customers and create lasting, mutually beneficial relationships with channel partners, employees, growers and suppliers.



Record Financial Performance 2017

	Fiscal 2016	Fiscal 2017	% Change
Revenue	\$29.2M	\$34.3M	+ 17.5%
Gross Profit	\$11.1M	\$13.5M	+ 22%
Gross Margin	40.6%	41.5%	+ 0.9%
EBITDA	\$1.5M	\$2.8M	+ 84.9%
Net Income	(\$1.7M)	\$0.5M	N/A
Earnings per Share	(\$0.02)	\$0.01	N/A
Cash Flow from Operations	\$0.3M	\$1.8M	+ 429%

Significant improvement in financial results due to increased sales volumes and operating leverage

Solid Financial Position

- ❖ Ended Fiscal 2017 with **\$8.4 million of working capital**, compared to \$3.2 million at end of Fiscal 2016
- ❖ Debt-to-Equity ratio improved significantly from **1.76:1 to 0.68:1**
- ❖ **Raised \$8.8 million** from private placement in December 2016 to fund growth objectives:
- ❖ Purchased 100% control of Kirkwood Diamond Canada (KDC)
- ❖ Invested \$3.5M in winery capacity
- ❖ Opened new retail store and tasting facility

Balance Sheet Highlights	March 31, 2016	March 31, 2017
Current Assets	\$21.1M	\$20.5M
Other Assets	\$18.0M	\$19.5M
Total Liabilities	\$27.2M	\$31.6M
Shareholders' Equity	\$11.8M	\$20.4M



Strong Q1 2018 Financial Performance



	Q1 2017	Q1 2018	% Change
Revenue	\$9.1M	\$9.6M	+ 5.3%
Gross Profit	\$3.8M	\$4.3M	+ 12.1%
Gross Margin (%)	43.8%	46.3%	+ 2.5%
EBITDA	\$1.3M	\$1.4M	+ 11.5%
Net Income	\$0.7M	\$0.9M	+ 23.5%
Earnings per Share	\$0.01	\$0.01	---
Cash Flow from Operations	\$1.0M	\$1.2M	+ 24.7%

Momentum demonstrated in Fiscal 2017 continuing in Fiscal 2018

Introduced – The Lakeview Wine Co.



- ❖ New 'face' in Niagara-on-the-Lake
- ❖ Focus on higher margin products - \$15.95+
- ❖ Increased Wine Club membership by 65%
- ❖ Increased tour bookings





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North Andover,
Massachusetts
27 42



Reviewed 5 August 2017 via mobile

Best Tour of the Day

Lakeview estate, formerly Diamond Estates offered the best wines of the day during our tour with Grape and Wine Tours. Our guide at the vineyard was Marissa. Young, energetic and knowledgeable she shared stories, valuable information and a recipe for a chocolate covered strawberry drink using the vineyards ice wine. We not only bought wine, we had Marissa autograph our bottles so that we could forever remember her 'super' presentation.



F5351Wlcharl...
Stephenville

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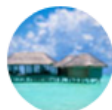


Reviewed 2 August 2017

Great stop on tour

If you are in the area this is a great stop on a wine tour or to get some wine. Very knowledgeable people and very good product.

Thank F5351Wlcharlsh



Angie L
Ottawa,
Canada



Reviewed 4 weeks ago via mobile

Excellent wine tasting

We went here as a group of four for a wine tasting. We had the best server - Nassau I believe - and he made the experience a blast! Would definitely return.

Thank Angie L



Patrick O
178 139



Reviewed 22 June 2017 via mobile

Great wine and proud staff

We dropped by for a quick wine tasting. I was very impressed by the white ice wine, I have never tasted any wine like it. The wine tasting was brilliantly delivered by a very proud member of staff.



Significant Early Success in Grocery

- ❖ Listings in all 70 licensees and all converted Private Wine Stores
- ❖ Top 3 in sales (12% share)
- ❖ 3 of top 5 skus (20Bees)
- ❖ Additional 70-90 licenses on the horizon



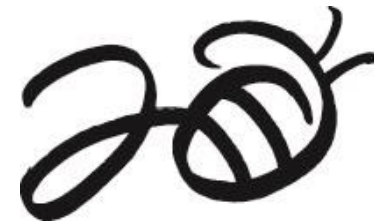
- ❖ China business up 17%
- ❖ New markets opened – Germany, Belgium, Austria, Holland, Sweden & Costa Rica
- ❖ Brexit likely to create new opportunity



Strengthened Brand Performance



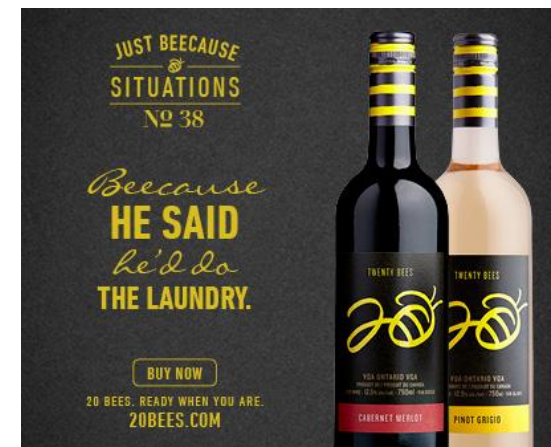
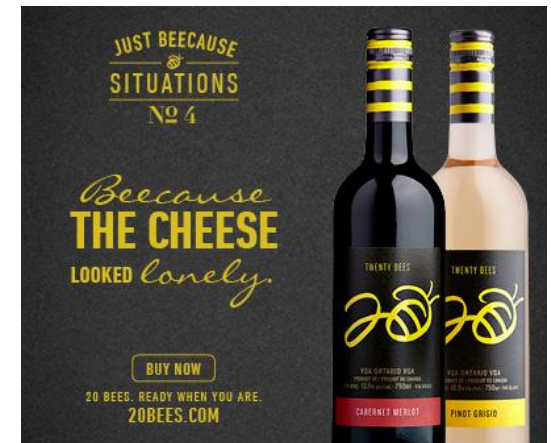
- ❖ Selective price increases
- ❖ Increased brand building; reduced LTO's / BAMs
- ❖ LCBO
 - ❖ 7 new listings
 - ❖ 12 Vintages buys (+33% YoY)
 - ❖ FRESH Moscato #1 with a bullet
- ❖ New EastDell and FRESH listings in Manitoba / Saskatchewan



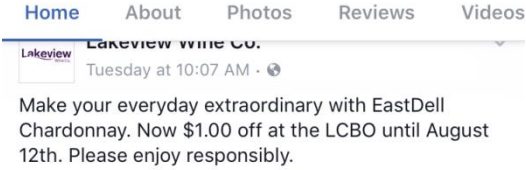
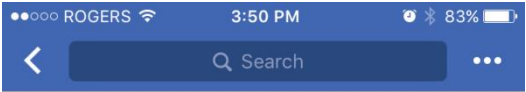
LAKEVIEW
CELLARS



20Bees Creative “Platform”



EastDell Creative “Platform”



Award-Winning Winemaking Team



- ❖ Strategic focus adopted for award show submissions
- ❖ Strong results: 35 awards
- ❖ Numerous major (gold) awards including:
**Best in Show Desert Wine –
Intervin International for Lakeview
Cellars Cab Franc Icewine**



KDC – Realizing the Opportunity



- ❖ Purchased control in May 2017
- ❖ New leadership
- ❖ Transformation of go-to-market approach underway
- ❖ Intensifying new business pursuit
- ❖ Portfolio of strong supplier brands
- ❖ Increased brand marketing team



- ❖ Expanded production capacity
- ❖ Revamped sales structure focused on value-based selling
- ❖ Investing in better information systems / analytics capabilities
- ❖ Consolidation of resources across Winery / KDC (finance & admin; sales; HR)



- ❖ Maintaining operational and financial momentum
- ❖ Overcoming short-crop
- ❖ Brand focus opening new opportunities
- ❖ Well positioned for continued strong performance





Thank you for your continued
confidence and support!

