



Momentum & Opportunity

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.

RISK FACTORS

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

2016 – Building the Momentum

- ❖ Significant strides in winery – domestic & export
- ❖ Streamlining of KDC
- ❖ Solid foundation for channel evolution & industry transformation

Strengthened winery performance

- ❖ Rationalized product portfolio
- ❖ Repackaged and focused on four “core” brands
- ❖ Successful new product launches
- ❖ Investment in marketing to support sales
- ❖ Enhanced relationship with LCBO
- ❖ Transitioning of sales team

20 Bees

- Value priced \$10.95 - \$12.95
- Targeted female 35-55 / HHI <\$70K



EastDell



- Priced \$13.95 - \$14.95
- Targeted 40-55 / slight female skew / slightly higher HH income

FRESH



- \$12.95 - \$15.95
- Portfolio targetted to female millennials

Lakeview Cellars



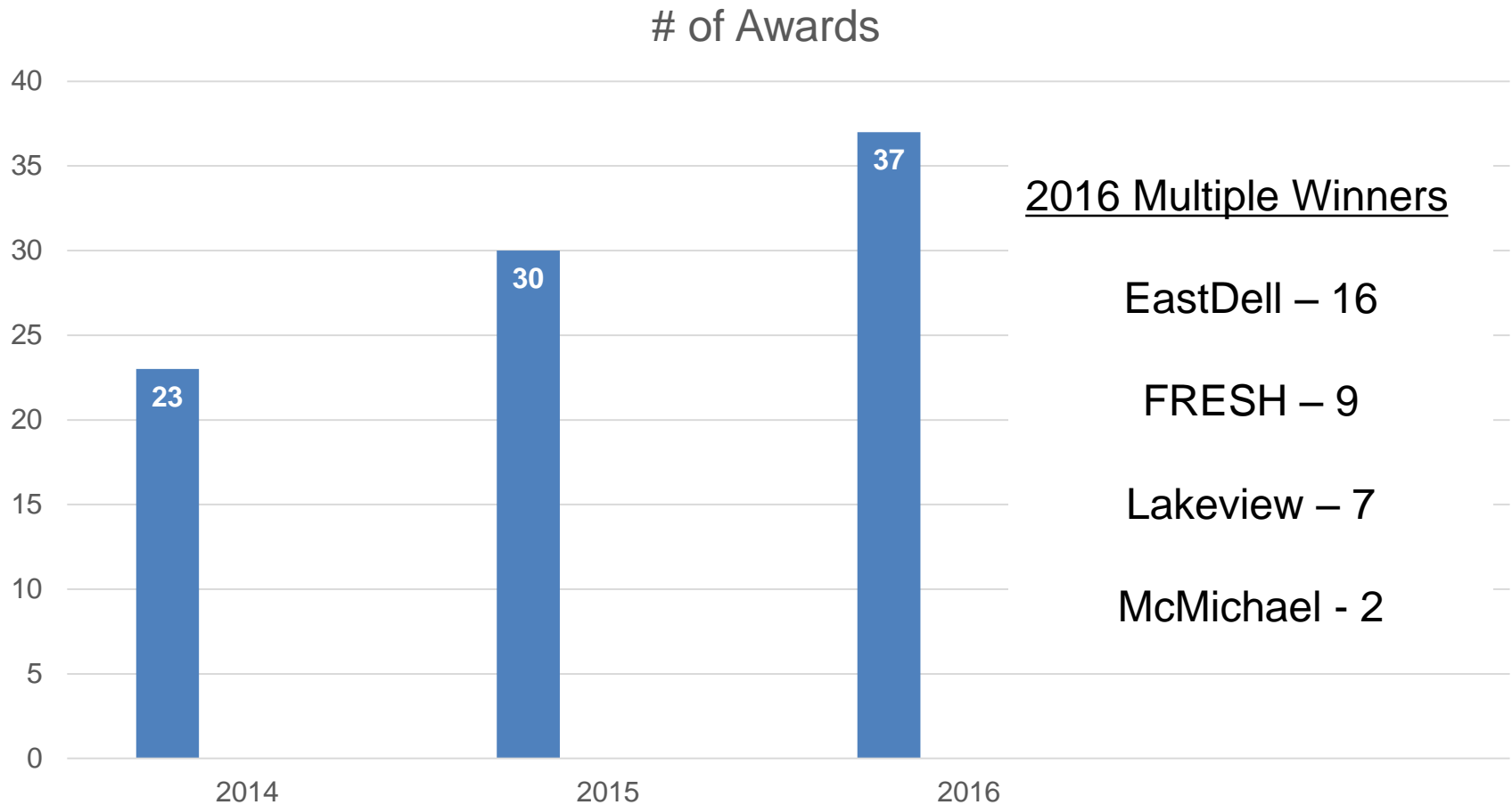
- Priced \$19.95 +
- Bordeaux-style; slight male skew; higher HHI income; wine knowledgeable

The McMichael Collection



- \$14.95; Holiday two-pack
- Targetted 45 – 65; M/F; HHI > \$100K ; sophisticated

Award winning year



Strong winery financials

- ❖ Revenue up on full-year of agency results to \$29.7M from \$24.3M;
- ❖ EBITDA up marginally to \$1.6M from \$1.5M;
- ❖ Net loss of \$1.7M included \$0.7M write-down of previous engineering and design work;
- ❖ Debt to Equity ratio improved to 1.8:1 from 2.4:1;
- ❖ Cash flow from operating activities improved \$0.7M to \$0.3M

Seizing the opportunities - winery

❖ Ontario

- ❖ Grocery - strong dedicated channel for VQA wines
- ❖ An evolving LCBO – move to wholesale and refocused assortment
- ❖ Direct Delivery – continued strong growth

❖ China

- ❖ Significant increase in acceptance and demand for our red wine
- ❖ Continued strong market for Icewine

❖ Europe

- ❖ Fall-out from Brexit and uncertain EU future

New Retail & Tasting Venue



Ground Breaking – October 12, 2016
Spring 2017 Opening

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Structuring for success

- ❖ Increased marketing competencies
- ❖ Dedicated Channel Development staff
- ❖ Increased resourcing for growth opportunities
 - ❖ Export
 - ❖ Grocery
 - ❖ Contracts
 - ❖ Direct Delivery

Seizing the opportunities - KDC

- ❖ Refocus of marketing & business development efforts
- ❖ Improved Financial management – Reporting, Timeliness
- ❖ Growth through supplier acquisition (regionally & nationally)
 - ❖ Addition of Charles Wells nationally, Russian Standard in Quebec, Independent Distillers in Alberta
- ❖ Building on existing relationships – increase footprint with current suppliers and launch new, high volume brands
 - ❖ Recently launched Josh Cabernet Sauvignon from California and Anciano 7 Year Old Tempranillo at LCBO

Challenges

- ❖ Keeping up with demand
 - ❖ Supply
 - ❖ Production capacity
- ❖ Rapidly evolving changes in regulation
- ❖ Requirement for merchandising vs. selling
- ❖ Increasingly competitive Agency industry

In Summary

- ❖ A year of significant progress
- ❖ Growth in demand expected to continue
- ❖ Channel evolution represents unprecedented opportunity
- ❖ Solid foundation



Thank-you for your continued confidence and support!