



Annual General Meeting
September 6, 2023

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.

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Three estate wineries and one cidery in Ontario

- Lakeview Wine Co, Creekside Estate, Queenston Mile, Shiny Apple

One estate winery in BC

- Backyard Vineyards

National agency importing, marketing and selling premium alcoholic beverages from around the world



Business Performance

- Consumers are cutting back on dining out and alcohol to afford the essentials
- Diamond grew +6% and outpaced industry in every category
- Grocery strength further enhanced as competitive advantage
- Redesigned Lakeview portfolio, Mindful launch success and Shiny turnaround driving winery growth
- Ontario Retail Modernization anticipated as early as this Fall
 - ⇒ Grocery expansion and broad Convenience store distribution for wine and beer
 - ⇒ Reduced tax and enhanced support spending with potential of \$3M EBITDA improvement
- Industry sales to China continue to decrease with closures, economic weakness and political tension
- Significant Agency New Business Wins, but lost Suppliers drove -6% revenue
- GM shrank 3 points driven by a \$1.7M inventory adjustment (short crop)
- EBITDA of -\$4.5M driven by lower GM and Expense pressure. Adjusted EBITDA of -\$1.9M is -\$0.8M vya
- In August 2023 Deutsch (Josh) terminated relationship despite growing from 15k to 300k cases in 7 years

Revitalization Plan

- \$9M Lassonde investment; \$2M incremental equity private placement available
- Debt reduction plan underway for less-strategic assets
- Mitigation plan being developed to address the loss of Deutsch (Josh)

Industry Softness Driven by Consumer Confidence Issues

Consumers are cutting back on dining out and alcohol to afford the essentials

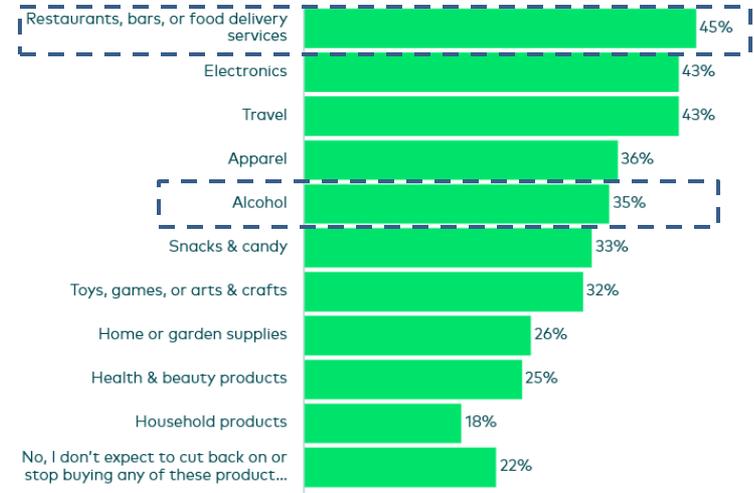
SPENDING DISCOMFORT

What is your current comfort level personally engaging in these activities / behaviours?
% who are currently uncomfortable with given behaviour



SPENDING CUTS

In the next few months, do you expect to cut back on or stop buying any of the following products or categories in response to inflation/rising prices? (Top 10 shown)



Numerator Canada Monthly Consumer Sentiment Survey | 6/14/23 n=1,520

Agency out-performing soft industry in all categories

Diamond performance outpaced industry in every category



**Trajectory
Beverage Group
Performance**

+5.3%

**Category
growth**

-4.8%



-0.7%

-5.2%



+0.3%

-0.9%



+5.6%

+0.4%



Ontario Grocery strength further enhanced as competitive advantage

On a Rolling 3 and 6 month basis:

- Trajectory is the #3 Agency and the #2 VQA Agency.
- Twenty Bees posted steady growth and is now tied for the #1 VQA Brand

Top 10 agents in grocery vol. share	9L R3 TY	9L R6 TY	9L RY TY
Arterra	25.3%	23.5%	22.7%
Philippe Dandurand	13.5%	13.9%	14.0%
The Mark Anthony Group.	9.4%	9.7%	9.8%
Trajectory Beverage Partners	9.9%	9.9%	9.6%
Andrew Peller Limited	6.4%	6.1%	6.4%
Corby Spirit And Wine	6.1%	6.0%	6.4%
E&J Gallo	2.7%	3.2%	3.5%
Pelee Island Winery	3.6%	3.4%	3.4%
Henry Of Pelham Family Est. Winery	2.6%	2.5%	2.7%
Authentic Wine & Spirits Merchants	1.5%	1.6%	1.8%

Top 10 VQA agents in grocery vol. share	9L R3 TY	9L R6 TY	9L RY TY
Arterra	23.6%	24.7%	25.7%
Trajectory Beverage Partners	16.7%	16.2%	15.4%
Andrew Peller Limited	12.7%	12.2%	13.7%
Pelee Island Winery	11.3%	10.6%	10.3%
Henry Of Pelham	8.3%	7.7%	8.3%
M.Andrew Fine Wines,Beers&Spirits	3.4%	3.1%	2.7%
Dionysus Wines & Spirits Ltd.	2.9%	2.7%	2.7%
Chateau Des Charmes	2.9%	3.2%	2.7%
Von Terra Enterprises Ltd.	2.3%	2.6%	2.5%
Burnt Ship Bay Estate Winery	1.6%	2.0%	1.7%

Top 10 grocery VQA brands vol. share	9L R3 TY	9L R6 TY	9L RY TY
Open	11.8%	12.1%	13.4%
20 Bees	11.8%	11.1%	10.2%
Wayne Gretzky	7.2%	7.3%	7.8%
Jackson-Triggs	4.6%	5.3%	5.3%
Henry Of Pelham	5.6%	4.9%	4.9%
Pelee Island	3.8%	4.4%	4.5%
Lola	5.3%	4.1%	3.6%
Inniskillin	3.2%	3.3%	3.4%
Peller Family	2.9%	2.5%	3.0%
Trius	2.6%	2.3%	2.8%

Top 10 VQA skus in grocery vol. share	9L R3 TY	9L R6 TY	9L RY TY
Open Smooth Red VQA	2.3%	2.5%	3.0%
20 Bees Pinot Grigio VQA	1.9%	1.8%	2.4%
Pelee Island Lola Blush Sparkling VQA	4.0%	2.8%	2.4%
Open Smooth Red VQA Bib	2.1%	2.2%	2.2%
Peller Estates Family Series Chardonnay VQA	1.9%	1.5%	1.9%
Open Smooth White VQA	2.5%	2.4%	1.9%
20 Bees Pinot Grigio Vidal VQA Bib	3.3%	2.9%	1.8%
Wayne Gretzky Estate Cabernet Merlot VQA Bib	1.5%	1.5%	1.5%
20 Bees Cabernet Merlot VQA	1.6%	1.2%	1.5%
Pelee Island Lighthouse Riesling VQA	1.6%	1.5%	1.4%

Winery Success Stories

Redesigned portfolio, Mindful success and Shiny turnaround driving winery growth

**Mindful has now exceeded
\$1 Million in sales**



**Fresh Sparkling Trending!
+35% R6, +40% R12**



**Twenty Bees #1-2 VQA
Grocery Brand**



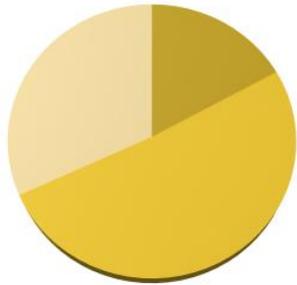
**Shiny is back in full force!
+114% R3**



We Make Great Wine – winning Prestigious Awards

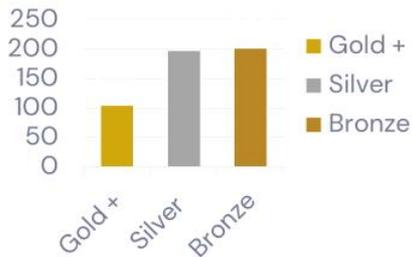
EastDell Pinot Grigio wins Platinum at National Wine Awards and most affordable @\$14.95

47 Awards in 2023



■ Platinum/Gold ■ Silver ■ Bronze

505 Awards Won Since 2013



250
200
150
100
50
0

■ Gold +
■ Silver
■ Bronze

Gold +
Silver
Bronze

Home To Canada's Best Pinot Grigio



Award Highlights 2023

National Wine Awards 2023

EastDell Pinot Grigio – Platinum
 Lakeview Traditional Sparkling – Gold
 Queenston Mile Blanc de Noirs – Gold
 Backyard Vineyards Syrah Reserve – Gold

All Canadian Wine Championships 2023

Fresh Sparkling Rosé – Double Gold
 Red Tractor Cabernet Merlot – Double Gold
 Madame Marmalade – Double Gold
 Shiny Apple Cider – Double Gold
 Backyard Vineyards Viognier Reserve – Gold

BC Lieutenant Governor's Wine Awards

Backyard Vineyards Syrah Reserve – Platinum

Wine Merchant Magazine Wine Competition

Lakeview Vidal Icewine – Top 100 Wines

Increased Ontario Grocery and Convenience store distribution combined with reduced tax and enhanced financial support anticipated shortly

- Ontario government listening to a convincing argument of an industry with significant economic contribution potential that has been strangled by tax
- Potential impact to Diamond of ~\$3M EBITDA. Anticipate changes as soon as this Fall
- Key components anticipated:
 - Full convenience store distribution (with guardrails)
 - 450 stores with wine vs 225 currently (plays to our strength)
 - Uncapped VQA rebate (+\$2.6M)
 - Remove 6.1% Winery Retail / DTC tax (+\$0.2M)
 - Remove 6.1% On Premise tax (+\$0.2M)
 - Clear domestic growth mandate to the LCBO
 - Increased marketing behind the domestic industry

A dynamic and growing list of On-Premise customers



CK Mondavi – our California portfolio

Mondavi's recent launch in Canada demonstrating growth potential
Now our core California portfolio, we believe this Brand can grow to 100k+ cases



Core Range: \$13.95

Premium Range - \$17.95

More CK Mondavi – Flat Top Hills and Charles Krug

Premium offerings provide upward range and compete with the largest California brands
Charles Krug provides further credibility as the oldest operating Napa Estate Winery



Premium Range - \$19.95

Super Premium Range - >\$30.00

Significant Agency New Business Wins

New business pitches in progress with aggressive business development



Fiscal 2023 Financial Review



- Continued Revenue growth despite a soft industry
- Growth drivers: EWG/Shiny acquisitions, Grocery, On Premise resurgence
- GM decline driven by \$1.7M inventory overhead adjustment (2022 severe short crop)
- Expenses +5.4 points with HR costs, A&P and G&A driving increases
- EBITDA -\$2.8M (-\$0.8M adjusted)
- Net Income decline key drivers: Interest (+\$1.1M); EWG F22 acquisition gain (\$2.7M)

	Fiscal 2022	Fiscal 2023	Change
Revenue	\$30.0M	\$31.7M	6%
Gross Profit	\$11.0M	\$10.6M	4%
Gross Margin	36.80%	33.40%	(3.2pts)
EBITDA	(\$1.7M)	(\$4.5M)	(\$2.8M)
Adjusted EBITDA	(\$1.1M)	(\$1.9M)	(\$0.8M)
Net Income	(\$3.0M)	(\$8.9M)	(\$5.9M)
Earnings per Share	-\$0.11	-\$0.31	\$0.20
Cash Flow from Operations	(\$2.3M)	(\$4.2M)	(\$1.9M)

Balance Sheet

- Current Assets declined \$4.7M with Inventory and A/R reductions (\$2.6M and \$2.0M respectively)
- Other Assets declined \$1.5M driven by amortization
- Liabilities increased \$1.8M driven by Debentures payable

Balance Sheet Highlights	As at March 31, 2021	As at March 31, 2022	As at March 31, 2023
Current Assets	\$26.4M	\$34.5M	\$29.8M
Other Assets	\$23.5M	\$33.7M	\$32.2M
Total Liabilities	\$31.6M	\$37.9M	\$39.7M
Shareholders' Equity	\$18.2M	\$30.3M	\$22.3M

Q1 F24 Financial Review



- Revenue grew driven by a \$0.8M bulk wine sale at BackYard Vineyards
- GM decreased slightly with the low margin bulk wine sale and general COGS increases
- EBITDA remained flat vs prior year
- Net Income decreased \$0.8M driven by interest rates and the \$4.7M convertible debenture

	Q1 2023	Q1 2024	Change
Revenue	\$7.5MM	\$7.9M	5.3%
Gross Profit	\$3.0MM	\$2.7M	-10%
Gross Margin (%)	40.30%	34.2%	(-6.1 pts)
EBITDA	(\$0.9M)	(\$0.9M)	\$0.0M
Adjusted EBITDA	(\$0.7M)	(\$0.9M)	(\$0.2M)
Net Income	(\$1.7M)	(\$2.5M)	(\$0.8M)
Earnings per Share	-\$0.06	-\$0.09	-\$0.03
Cash Flow from Operations	(\$1.0M)	\$0.1M	\$1.1M

Comprehensive Revitalization Plan

In addition to continued core business growth, significant adjustments being made to capital and cost structures:

- Debt reduction program:
 1. Private Placement
 2. Sales of non-strategic assets
- Deutsch Mitigation Plan



Private Placement

- \$9M Lassonde investment provides stability, credibility and strength
- \$2M additional available @ \$.45 per share
- Closing date anticipated within 30 days coincident with bank agreement
- Lassonde becomes majority owner with strong commitment to support business



Debt Reduction and Deutsch Mitigation Plan

Debt Reduction

- \$6M of Lassonde investment (remaining \$2M to working capital)
- \$9.3M asset disposition plan in place

Deutsch (Josh) Mitigation Plan

- Significant fixed expense reduction (\$1.5-\$2M)
- Organic growth of current Agency Suppliers
- Aggressive new business development



This has been a difficult year in the beverage alcohol industry. We are fortunate for our investor group support allowing us to revitalize the Diamond Estates business.

