

Diamond Estates Wines & Spirits Announces New BMO Credit Facility

- **Diamond Estates enters into new Credit Facility with Bank of Montreal**

NIAGARA-ON-THE-LAKE, Ontario--(BUSINESS WIRE)--December 1, 2021--Diamond Estates Wines & Spirits Inc. (“Diamond Estates” or “the Company”) (DWS-TSX Venture) today announces it has entered into a Second Amended and Restated Credit Agreement (“SARCA”) with Bank of Montreal (“BMO”). The SARCA folds in the previous BMO facility of the Equity Wine Group and its subsidiaries (collectively “EWG”) with the Company’s existing BMO credit facility. EWG was acquired by the Company on October 6, 2021, and a condition of the transaction was for the Company to consolidate all its facilities with BMO.

“We are very pleased with our relationship with BMO and the support that the BMO team has given us,” stated Murray Souter, President & CEO. “Executing this agreement extends our banking relationship with BMO into 2024 and helps support our business plans and future growth.”

The terms of the SARCA were updated, and the notable terms are as follows:

- **Credit Limit.** The revolving term of \$14.4 million with an accordion feature to fund future growth and non-revolving term facility of \$10.8 million.
- **Maturity Date.** The revolving and non-revolving facilities have a two-year term expiring as at Jan 2, 2024. The Business Credit Availability Program Facility expires on October 1, 2022 unless extended by the Lender in its sole and absolute discretion at the request of the Borrower for a further period provided that such extension shall not in any case extend beyond October 26, 2025.
- **Interest Rate.** The interest rate on each of the facilities is as follows:
 - prime plus 1.40% under the revolving term facility;
 - prime plus 1.65% under the non-revolving term facility; and
 - prime plus 1.65% under the BCAP Facility.
- **Affirmative Covenants.** The SARCA is subject to the following major covenants:
 - the Leverage Ratio at less than or equal to 2.15 to 1; and
 - the Fixed Charges Coverage Ratio at greater than or equal to 1.25 to 1.

About Diamond Estates Wines and Spirits Inc.

Diamond Estates Wines and Spirits Inc. is a producer of high-quality wines and a sales agent for over 120 beverage alcohol brands across Canada. The Company operates four wineries, three in Ontario and one in British Columbia, that produce predominantly VQA wines under such well-known brand names as 20 Bees, Creekside, EastDell, Lakeview Cellars, Queenston Mile, Dan Aykroyd, Shiny Apple Cider, Rood Apples Cider, Fresh, Proud Pour, Red Tractor, Seasons, Serenity, and Backyard Vineyards.

Through its commercial division, Trajectory Beverage Partners (“TBP”), the Company is the sales agent for many leading international brands in all regions of the country as well as being a distributor in the western provinces. These recognizable brands include Josh wines from

California, Fat Bastard and Andre Lurton wines from France, Kaiken wines from Argentina, Blue Nun wines from Germany, Francois Lurton wines from France and Argentina, Felix Solis wines from Spain, Waterloo Brewing from Canada, Landshark Lager from the USA, Marston's beers from England, Edinburgh Gin from Scotland, Tamdhu, Glengoyne and Smokehead single-malt Scotch whiskies, Barcelo Rum from the Dominican Republic, C.K. Mondavi & Family wines including Charles Krug from Napa, Bols Vodka from Amsterdam, Koyle Family Wines from Chile, Pearse Lyons whiskies and gins from Ireland, and Fontana di Papa wines from Italy.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Statements

This press release contains forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as “plans”, “expects” or “does not expect”, “is expected”, “estimates”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or state that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Diamond Estates Wines and Spirits Inc. to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Actual results and developments are likely to differ, and may differ materially, from those expressed or implied by the forward-looking statements contained in this press release. Such forward-looking statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to: the economy generally; consumer interest in the services and products of the Company; financing; competition; and anticipated and unanticipated costs. While the Company acknowledges that subsequent events and developments may cause its views to change, the Company specifically disclaims any obligation to update these forward-looking statements. These forward-looking statements should not be relied upon as representing the views of the Company as of any date subsequent to the date of this press release. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results not to be as anticipated, estimated or intended. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.

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