

## FORM 51-102F3

### MATERIAL CHANGE REPORT

#### Item 1 Name and Address of Company

Diamond Estates Wines & Spirits Inc. ("**Diamond**" or the "**Company**")  
1067 Niagara Stone Road  
Niagara-on-the-Lake, ON L0S 1J0

#### Item 2 Date of Material Change

October 9, 2024

#### Item 3 News Release

A press release in connection with the material change was issued on October 9, 2024 through Canadian newswires and filed on [www.sedarplus.com](http://www.sedarplus.com) under the Company's profile and is attached hereto as Schedule "A" (the "**News Release**").

#### Item 4 Summary of Material Change

The Company announced that it has closed its previously announced acquisition of certain assets from the Perigon Beverage Group ("**Perigon**"). More specifically, Diamond has purchased the agency and supplier contracts, the intellectual property, and other intangible assets of Perigon and its agency business, such as its website, customer lists, business names and inventory.

The purchase price is \$1.799 million based on Perigon's latest financial results. The purchase price will be satisfied by the issuance of common shares of Diamond in four tranches as follows: five million common shares of Diamond have been issued to Perigon on October 9, 2024 at a deemed issuance price of \$0.26 per share, and thereafter an additional amount of shares having a value of approximately \$499,000 issuable in three (3) equal installments (each representing one third (33.3%) of the balance owing) payable every six (6) months over the eighteen (18) month period following closing, subject to certain adjustments based upon the achievement of gross margin targets. Shares issuable in the tranches after closing will have issuance prices equal to the greater of (i) the average trading price over the thirty (30) days prior to their respective issuance dates, and (ii) the minimum price permissible under the rules of the TSX Venture Exchange, being \$0.21 per share.

#### Item 5 Full Description of Material Change

##### 5.1 Full Description of Material Change

Full details of the transaction are available in the News Release attached hereto as Schedule "A".

**5.2 Disclosure for Restructuring Transactions**

Not applicable.

**Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7 Omitted Information**

Not applicable.

**Item 8 Executive Officer**

Ryan Conte, Chief Financial Officer, Email: [rconte@diamondwines.com](mailto:rconte@diamondwines.com)

**Item 9 Date of Report**

October 18, 2024.

## Schedule "A"



### **Diamond Estates Wines & Spirits Inc. Announces the Closing of its Acquisition of Perigon Beverage Group**

Niagara-on-the-Lake, Ontario (October 9, 2024)-- Diamond Estates Wines & Spirits Inc. (TSXV: DWS) ("**Diamond**" or the "**Company**") is pleased to announce that it has closed its previously announced acquisition of certain assets from the Perigon Beverage Group ("**Perigon**"). More specifically, Diamond has purchased the agency and supplier contracts, the intellectual property, and other intangible assets of Perigon and its agency business, such as its website, customer lists, business names and inventory.

The purchase price is \$1.799 million based on Perigon's latest financial results. The purchase price will be satisfied by the issuance of common shares of Diamond in four tranches as follows: five million common shares of Diamond have been issued to Perigon today at a deemed issuance price of \$0.26 per share, and thereafter an additional amount of shares having a value of approximately \$499,000 issuable in three (3) equal installments (each representing one third (33.3%) of the balance owing) payable every six (6) months over the eighteen (18) month period following closing, subject to certain adjustments based upon the achievement of gross margin targets. Shares issuable in the tranches after closing will have issuance prices equal to the greater of (i) the average trading price over the thirty (30) days prior to their respective issuance dates, and (ii) the minimum price permissible under the rules of the TSX Venture Exchange (the "**TSXV**"), being \$0.21 per share.

The common shares issued today are subject to a statutory hold period of four months and a day from their date of issuance, in accordance with applicable securities legislation.

#### **About Diamond Estates Wines and Spirits Inc.**

Diamond Estates Wines and Spirits Inc. is a producer of high-quality wines and ciders as well as a sales agent for over 120 beverage alcohol brands across Canada. The Company operates four production facilities, three in Ontario and one in British Columbia, that produce predominantly VQA wines under such well-known brand names as 20 Bees, Creekside, D'Ont Poke the Bear, EastDell, Lakeview Cellars, Mindful, Shiny Apple Cider, Fresh Wines, Red Tractor, Seasons, Serenity and Backyard Vineyards.

Through its commercial division, Trajectory Beverage Partners, 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 Fat Bastard, Meffre, Pierre Chavin and Andre Lurton wines from France, Brimincourt Champagne from France, Merlet and Larsen Cognacs from France, Kaiken wines from Argentina, Blue Nun and Erben wines from Germany, Calabria Family Estate Wines and McWilliams Wines from Australia, Saint Clair Family Estate Wines and Yealands Family Wines from New Zealand, Storywood and Cofradia Tequilas from Mexico, Maverick Distillery spirits (including Tag Vodka and Barnburner Whisky) from Ontario, Talamonti and Cielo wines from Italy, Catedral and Cabeca de Toiro wines from Portugal, Edinburgh Gin, Tamdhu, Glengoyne and Smokehead single-malt Scotch whiskies from Scotland, Islay Mist, Grand MacNish and Waterproof whiskies from Scotland, C. Mondavi & Family wines including C.K Mondavi & Charles Krug from Napa and Hounds Vodka from Canada, Bols Vodka from Amsterdam, Koyle Family Wines from Chile, Pearse Lyons whiskies and gins from Ireland and McCormick Distilling International including Tequila Rose Strawberry Cream, Five Farms Irish Cream Liqueur, Broker's Gin, Hussong's Tequila, Tarantula Tequila, 360 Vodka and Holliday Bourbon.

### **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 the Company and the matters discussed herein 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. 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; anticipated and unanticipated costs; and the anticipated performance of the Company. The estimate of the purchase price for the acquisition is a forward looking statement, and is based on estimates of future margin and commission revenue. 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.*

***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 news release.***

Contacts

For more information about Diamond Estates:

Andrew Howard

President & CEO

Diamond Estates Wines & Spirits Inc.

[ahoward@diamondwines.com](mailto:ahoward@diamondwines.com)

Ryan Conte

CFO

Diamond Estates Wines & Spirits Inc.

[rconte@diamondwines.com](mailto:rconte@diamondwines.com)