



# 2023 Annual Results

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February 21, 2024  
NYSE/TSX:SII

**Sprott**

# Forward-looking Statements

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Certain statements in this presentation or the accompanying oral remarks contain forward-looking information and forward-looking statements (collectively referred to herein as the "Forward-Looking Statements") within the meaning of applicable Canadian and U.S. securities laws. The use of any of the words "expect", "anticipate", "continue", "estimate", "may", "will", "project", "should", "believe", "plans", "intends" and similar expressions are intended to identify Forward-Looking Statements. In particular, but without limiting the forgoing, this presentation and the accompanying oral remarks contain Forward-Looking Statements pertaining to: (i) continuing to drive meaningful AUM growth; (ii) building scale in critical materials product suite; (iii) our strong pipeline of new products; (iv) that long-term trends support our positioning in precious metals and critical materials; (v) our potential of highly-scalable asset management platform; and (vi) the declaration, payment and designation of dividends.

Although the Company believes that the Forward-Looking Statements are reasonable, they are not guarantees of future results, performance or achievements. A number of factors or assumptions have been used to develop the Forward-Looking Statements, including, without limitation: (i) the impact of increasing competition in each business in which the Company operates will not be material; (ii) quality management will be available; (iii) the effects of regulation and tax laws of governmental agencies will be consistent with the current environment; (iv) the impact of public health outbreaks; and (v) those assumptions disclosed under the heading "Critical Accounting Estimates, Judgments and Changes in Accounting Policies" in the Company's MD&A for the period ended December 31, 2023. Actual results, performance or achievements could vary materially from those expressed or implied by the Forward-Looking Statements should assumptions underlying the Forward-Looking Statements prove incorrect or should one or more risks or other factors materialize, including: (i) difficult market conditions; (ii) poor investment performance; (iii) failure to continue to retain and attract quality staff; (iv) employee errors or misconduct resulting in regulatory sanctions or reputational harm; (v) performance fee fluctuations; (vi) a business segment or another counterparty failing to pay its financial obligation; (vii) failure of the Company to meet its demand for cash or fund obligations as they come due; (viii) changes in the investment management industry; (ix) failure to implement effective information security policies, procedures and capabilities; (x) lack of investment opportunities; (xi) risks related to regulatory compliance; (xii) failure to manage risks appropriately; (xiii) failure to deal appropriately with conflicts of interest; (xiv) competitive pressures; (xv) corporate growth which may be difficult to sustain and may place significant demands on existing administrative, operational and financial resources; (xvi) failure to comply with privacy laws; (xvii) failure to successfully implement succession planning; (xviii) foreign exchange risk relating to the relative value of the U.S. dollar; (xix) litigation risk; (xx) failure to develop effective business resiliency plans; (xxi) failure to obtain or maintain sufficient insurance coverage on favorable economic terms; (xxii) historical financial information being not necessarily indicative of future performance; (xxiii) the market price of common shares of the Company may fluctuate widely and rapidly; (xxiv) risks relating to the Company's investment products; (xxv) risks relating to the Company's proprietary investments; (xxvi) risks relating to the Company's lending business; (xxvii) those risks described under the heading "Risk Factors" in the Company's annual information form dated February 20, 2024; and (xxviii) those risks described under the headings "Managing financial risks" and "Managing non-financial risks" in the Company's MD&A for the period ended December 31, 2023. In addition, the payment of dividends is not guaranteed and the amount and timing of any dividends payable by the Company will be at the discretion of the Board of Directors of the Company and will be established on the basis of the Company's earnings, the satisfaction of solvency tests imposed by applicable corporate law for the declaration and payment of dividends, and other relevant factors. The Forward-Looking Statements speak only as of the date hereof, unless otherwise specifically noted, and the Company does not assume any obligation to publicly update any Forward-Looking Statements, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.

For a reconciliation of "EBITDA", "adjusted EBITDA", "adjusted base EBITDA" and "operating margin" see slide 21

# Speakers

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**Whitney George, CEO, Sprott Inc.**



**Kevin Hibbert, CFO, Sprott Inc.**



**John Ciampaglia, CEO, Sprott Asset Management**

# 2023 Review

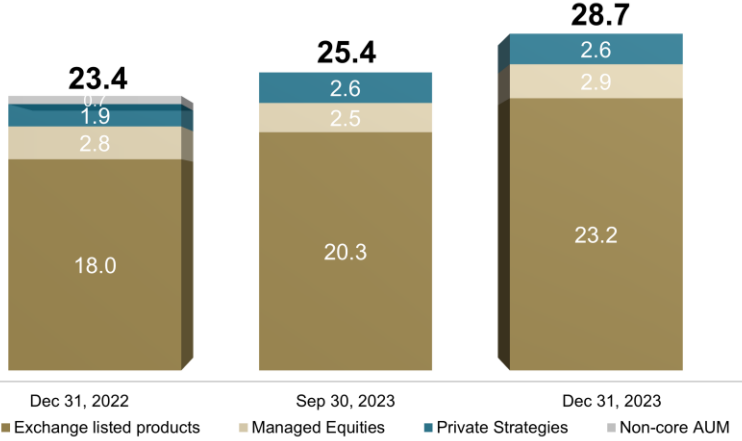
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- Grew AUM by \$5.3 billion to \$28.7B
- \$1.1B in net sales
- Finished clean-up of legacy non-core businesses
  - Exited Canadian broker dealer and Korea
- Expanded ETF product suite with 7 new ETF launches in U.S. and Europe
- Completed successful Private Strategies capital raises
- Launched actively-managed Physical Commodities strategy
- Reorganized and expanded Sales, Marketing and Investor Relations teams

# Assets under management

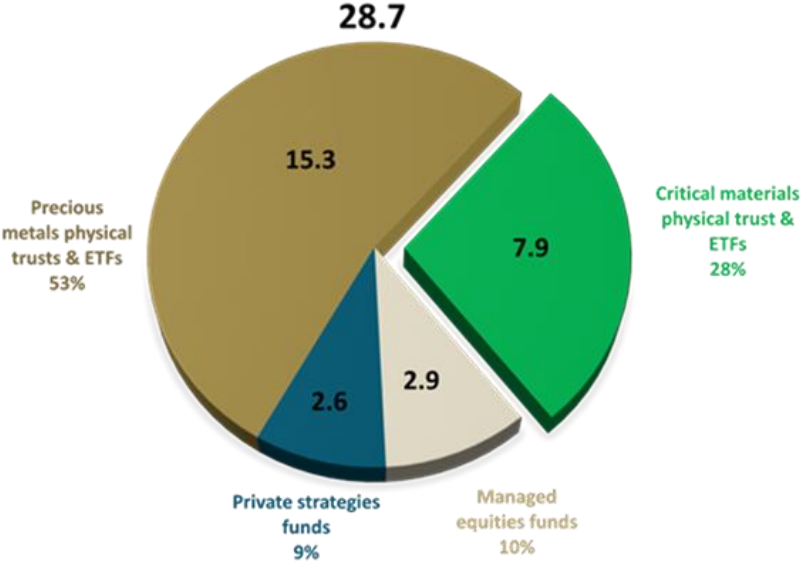
## Growth

In billions \$



## Composition

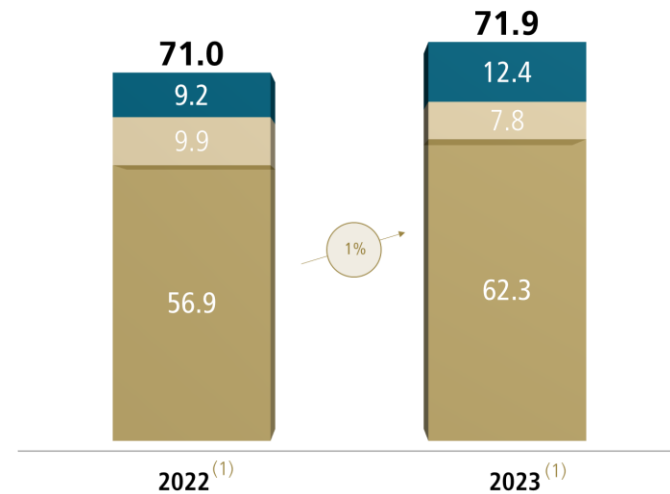
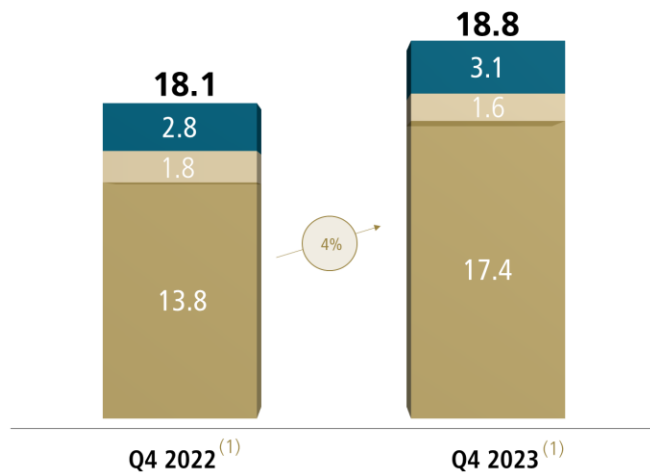
In billions \$



# Earnings results – 3 and 12 months ended

**3 months ended**  
(EBITDA in millions \$)

**12 months ended**  
(EBITDA in millions \$)



■ Exchange listed products ■ Managed equities ■ Private strategies

(1) EBITDA is a non-IFRS measure. See slide 2 and 19. Includes corporate costs, non-reportable segment profit (loss), consolidation and elimination entries. Please see Note 14 of the financial statements

# Capital management

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## Balance sheet liquidity

- After paying down 55% of our debt facility in 2023, cash, cash equivalents and liquid co-investments (i.e. co-investments that can be monetized <90 days) continue to account for over 70% of our balance sheet liquidity <sup>(1)</sup>

## Loan facility

- During the quarter, we repaid \$10.2MM of our outstanding debt, bringing our total repayments in the year to \$30.2MM resulting in an outstanding loan balance of \$24.2MM as at December 31, 2023 (December 31, 2022: \$54.4MM)
- Debt-to-capital ratio remains conservative at 5% (December 31, 2022: 11%)

## Normal course issuer bid (“NCIB”) update

- During the quarter, we purchased 8,978 shares, bringing our full year NCIB purchases to 126,353 shares (total proceeds of \$4.2 million) or 0.49% of our original Jan. 1, 2023 float

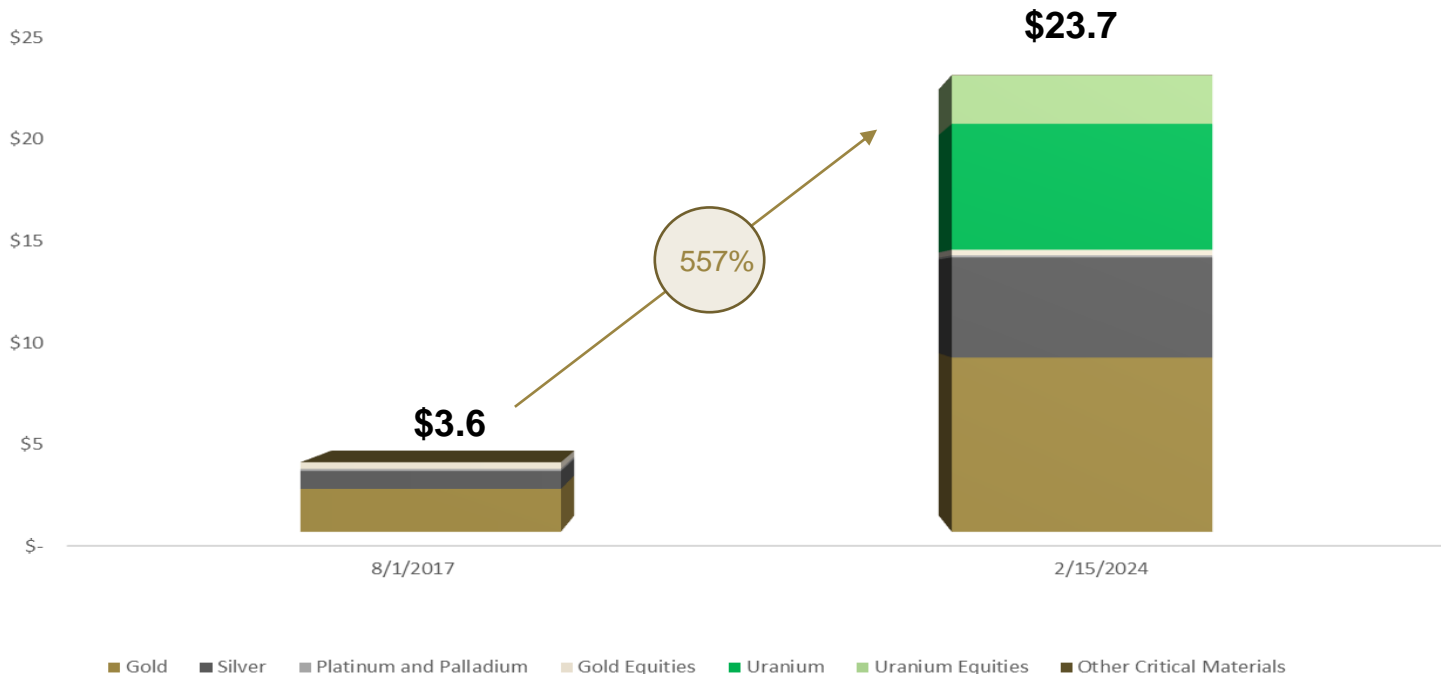
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(1) Balance sheet liquidity is the Company’s current assets plus co-investments that can be monetized within 90 days

# Evolution of Exchange Listed Products Suite

- Diversification of product suite by category and geography translating into strong AUM growth
- Product suite has grown from 5 offerings to 16 offerings and \$3.6B in AUM to \$23.7B
- 7 new ETFs launched in 2023
  - 2 critical material ETF launches pending

**Exchange Listed Products AUM**  
(in billions \$)



Note: As of 02/15/2024



# The World Leader in Uranium Investing

**\$9.0B**

AUM\*

**\$5.3B**

AUM Growth of 143%\*

Fund	January 1, 2023	February 15, 2024
Sprott Physical Uranium Miners Trust (SPUT)	\$2.9B	\$6.5B
Sprott Uranium Miners ETF (URNM)	\$827MM	\$1.9B
Sprott Uranium Miners UCITS ETF (URNM)	\$30MM	\$305MM
Sprott Junior Uranium Miners ETF (URNJ)	-	\$330MM
Sprott Junior Uranium Miners UCITS ETF (URNJ)**	-	-
<b>Total</b>	<b>\$3.7B</b>	<b>\$9.0B</b>

\*AUM from Jan 1, 2023 to Feb 15, 2024

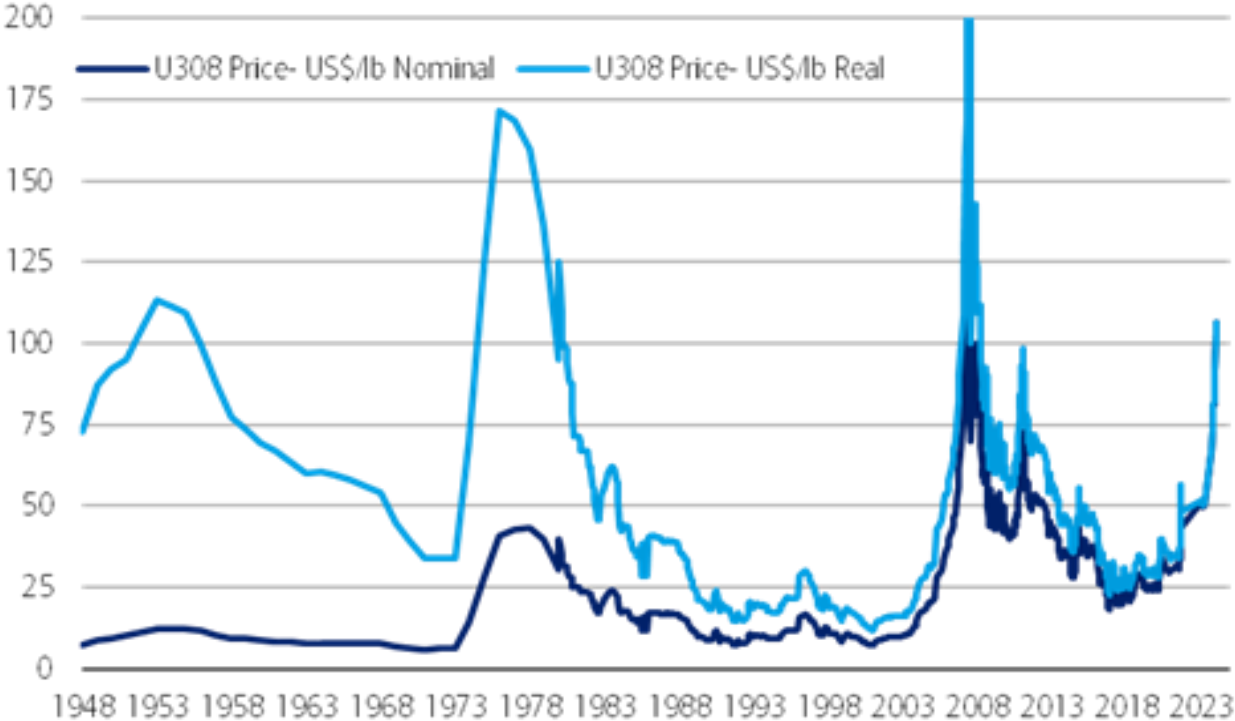
\*\*Launching Feb. 22, 2024

# Spot Uranium Price History

(in Real and Nominal Dollar Terms)

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In prior cycles, uranium peaked at \$US170/lb and \$US200/lb in today's dollar terms

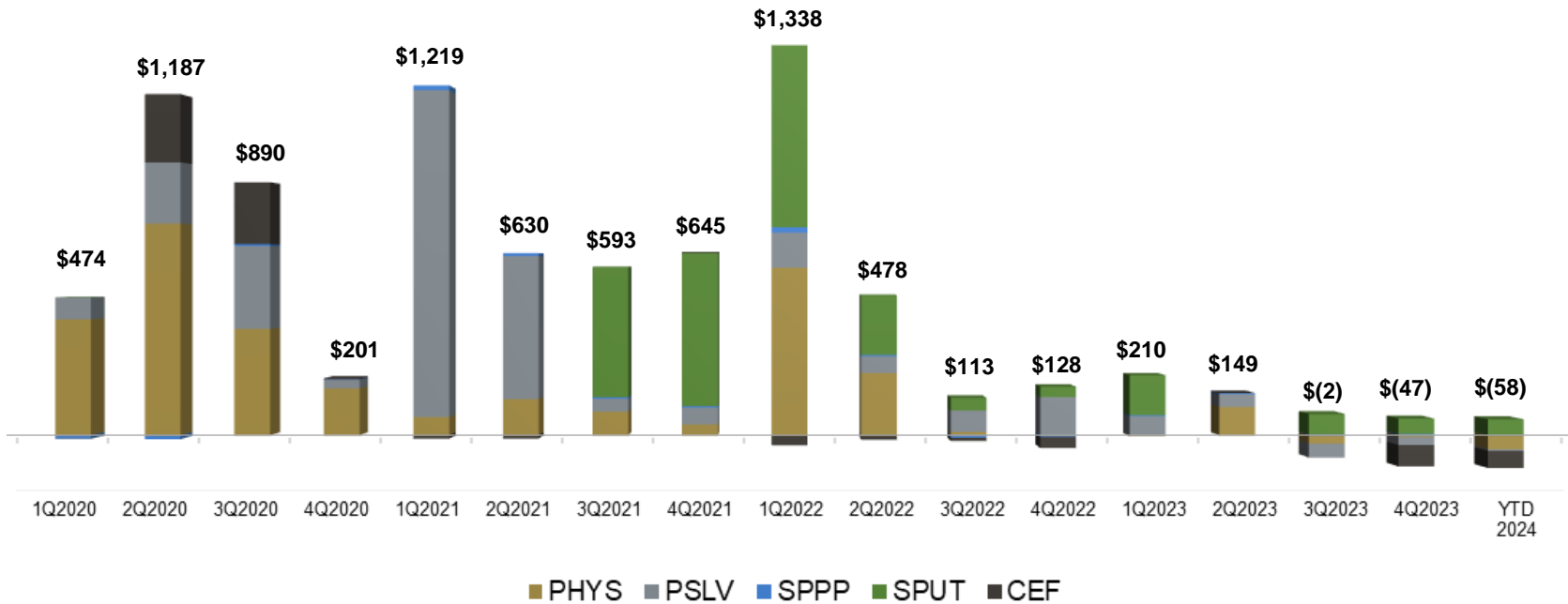


Source: Bloomberg, Nuexco, IMF, BofA Global Research estimates, February 8, 2024

# Exchange Listed Products: Physical Trusts

- \$310M in net sales in 2023
- Trusts traded at wider discounts in H2 2023
- Industry-wide, precious metals exchange-listed products are experiencing redemptions

**Physical Trust Sales**  
(in millions \$)

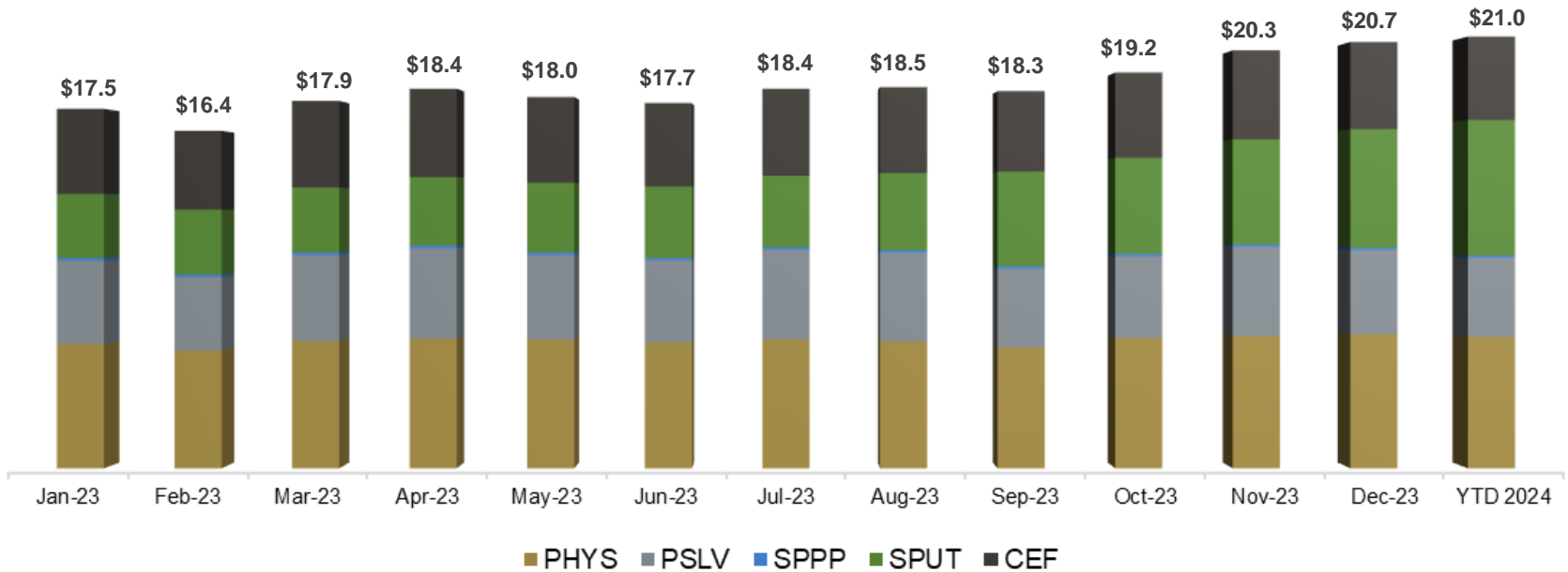


Note: YTD numbers as of Feb. 6, 2024

# Exchange Listed Products: Physical Trusts

- Strong AUM growth of \$3.9B or 23% in 2023
  - SPUT AUM increased \$2.9B or 101%

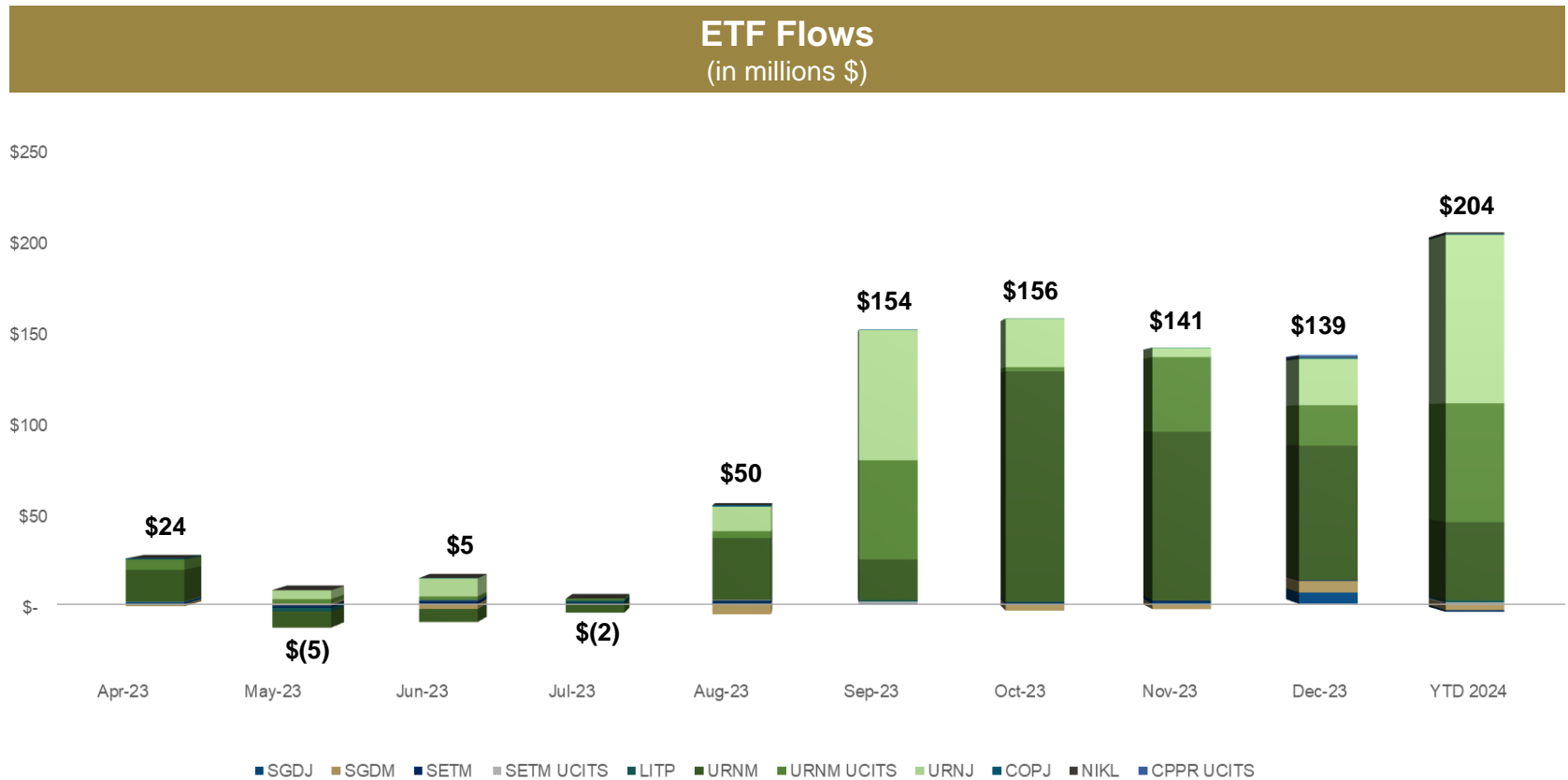
## Physical Trust AUM (in billions \$)



Note: YTD numbers as of Feb. 6, 2024

# ETF Product Suite: Flows

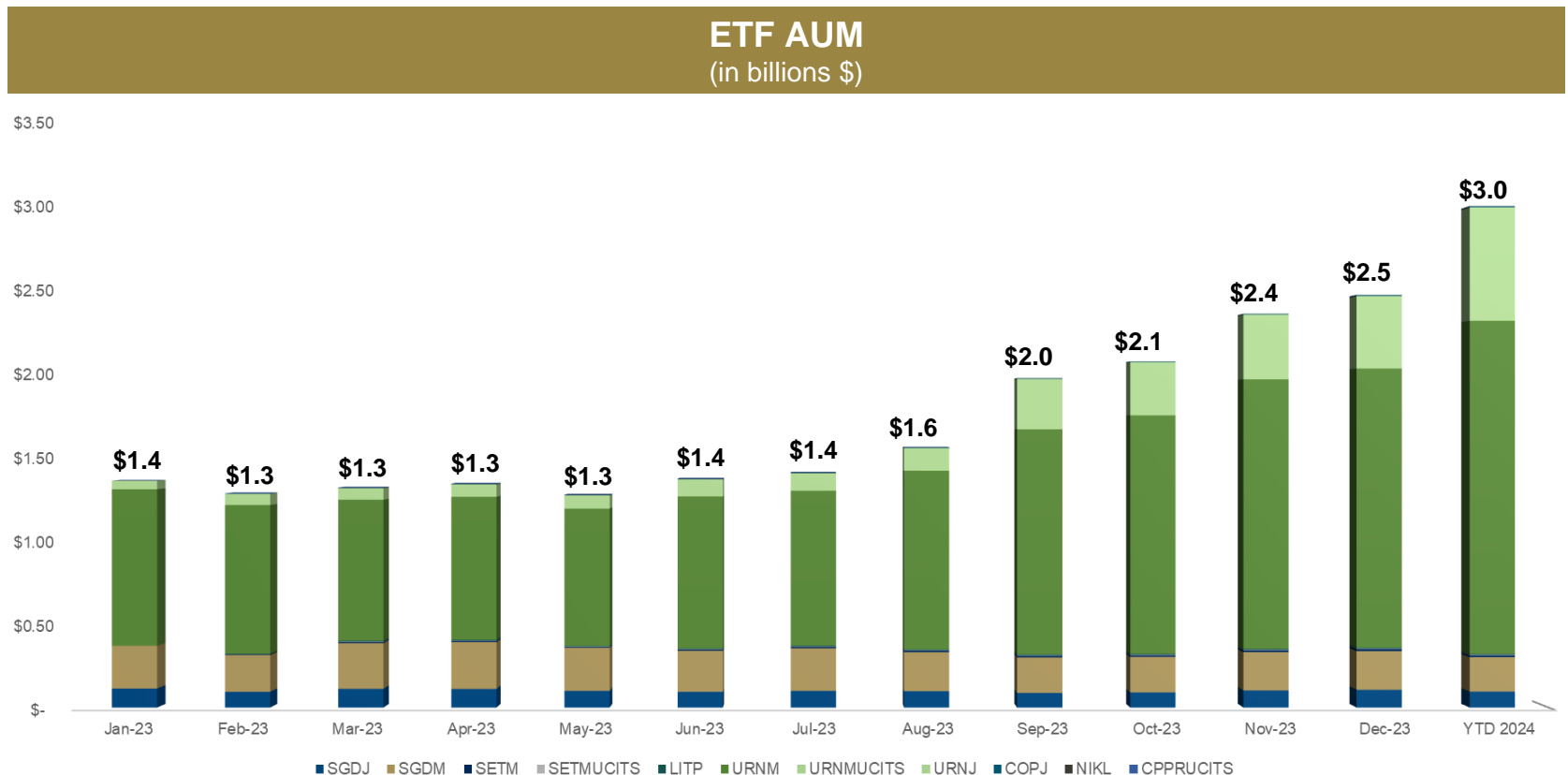
- Strong ETF flows since August, driven by uranium funds



Note: YTD numbers as of Feb. 6, 2024

# ETF Product Suite: AUM

- Exceptional AUM growth of \$1.3B or 106% in 2023
  - URNM AUM increased \$851MM or 103%



Note: YTD numbers as of Feb. 6, 2024

# Managed Equities

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- Performance continues to be challenged
- Investor interest in mining equities remains muted industry wide, despite historically low valuations relative to metals prices
- Managed Equities segment reported modest redemptions in 2023
- We remain committed to the sector and believe in its eventual recovery

# Private Strategies

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## Lending

- Monitoring and harvesting LF-II investments
- Actively assessing new investment opportunities for LF-III
- Recently added new co-investment vehicles to expand capacity

## Streaming

- Ongoing monitoring of portfolio investments
- Actively assessing new investment opportunities for Streaming and Royalty strategies



# Summary

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- Continuing to drive meaningful AUM growth
- Building scale in critical materials product suite
  - Uranium strategies now account for ~30% of total AUM, as of Feb. 16, 2024
- Strong pipeline of new products
  - URNJ UCITS launching Feb. 22, 2024
- Long-term trends support positioning in precious metals and critical materials
- Beginning to demonstrate potential of highly-scalable asset management platform



# **Supplemental Financial Information**

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# Revenues

In millions \$	3 months ended		12 months ended	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Management fees	<b>34.5</b>	28.4	<b>132.3</b>	115.4
Trailer, sub-advisor and fund expenses	<b>(2.0)</b>	(1.2)	<b>(6.7)</b>	(4.6)
Direct payouts	<b>(1.3)</b>	(1.1)	<b>(5.3)</b>	(4.9)
Carried interest and performance fees	<b>0.5</b>	1.2	<b>0.9</b>	3.3
Carried interest and performance fee payouts- internal	<b>(0.2)</b>	(0.6)	<b>(0.5)</b>	(1.6)
Carried interest and performance fee payouts- external	-	(0.1)	-	(0.6)
<b>Net fees <sup>(1)</sup></b>	<b>31.5</b>	26.6	<b>120.7</b>	106.9
Commissions	<b>1.3</b>	5.0	<b>8.3</b>	30.7
Commission expense – internal	<b>(0.2)</b>	(1.6)	<b>(2.5)</b>	(9.1)
Commission expense – external	<b>(0.4)</b>	(0.6)	<b>(1.2)</b>	(5.3)
<b>Net commissions <sup>(1)</sup></b>	<b>0.7</b>	2.9	<b>4.6</b>	16.2
Finance income	<b>1.2</b>	1.4	<b>4.9</b>	5.0
Gain (loss) on investments	<b>2.8</b>	(0.9)	<b>1.4</b>	(10.2)
Other income	<b>0.4</b>	1.0	<b>21.3</b>	1.2
<b>Total net revenues</b>	<b>36.7</b>	31.0	<b>152.9</b>	119.0

(1) Net fees and net commissions are non-IFRS measures. See slide 2.

# Expenses

In millions \$	3 months ended		12 months ended	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Compensation	<b>16.7</b>	17.0	<b>74.2</b>	77.1
Direct payouts	<b>(1.3)</b>	(1.1)	<b>(5.3)</b>	(4.9)
Carried interest and performance fee payouts - internal	<b>(0.2)</b>	(0.6)	<b>(0.5)</b>	(1.6)
Commission expense - internal	<b>(0.2)</b>	(1.6)	<b>(2.5)</b>	(9.1)
Severance, new hire accruals and other	<b>(0.2)</b>	(1.2)	<b>(5.6)</b>	(5.2)
Net compensation <sup>(1)</sup>	<b>14.8</b>	12.5	<b>60.4</b>	56.3
Severance, new hire accruals and other	<b>0.2</b>	1.2	<b>5.6</b>	5.2
Selling, general and administrative	<b>4.2</b>	4.1	<b>17.5</b>	16.0
Interest expense	<b>0.8</b>	1.1	<b>4.1</b>	2.9
Depreciation and amortization	<b>0.7</b>	0.7	<b>2.8</b>	3.4
Other expenses	<b>5.1</b>	1.7	<b>12.2</b>	10.2
<b>Total expenses</b>	<b>25.8</b>	21.3	<b>102.6</b>	93.9

(1) Net compensation is a non-IFRS measure. See slide 2

# EBITDA reconciliation

In millions \$	3 months ended		12 months ended	
	Q4 2023	Q4 2022	Q4 2023	Q4 2022
Net Income	<b>9.7</b>	7.3	<b>41.8</b>	17.6
Adjustments:				
Interest expense	<b>0.8</b>	1.1	<b>4.1</b>	2.9
Provision for income taxes	<b>1.2</b>	2.4	<b>8.5</b>	7.4
Depreciation and amortization	<b>0.7</b>	0.7	<b>2.8</b>	3.4
<b>EBITDA <sup>(1)</sup></b>	<b>12.3</b>	11.5	<b>57.2</b>	31.4
Other adjustments:				
(Gain) loss on investments	<b>(2.8)</b>	0.9	<b>(1.4)</b>	10.2
Amortization of stock based compensation	<b>4.3</b>	3.6	<b>16.3</b>	14.5
Other (income) expenses	<b>5.3</b>	2.6	<b>0.2</b>	15.9
<b>Adjusted EBITDA <sup>(1)</sup></b>	<b>19.0</b>	18.6	<b>72.3</b>	72.1
Other adjustments:				
Carried interest and performance fees	<b>(0.5)</b>	(1.2)	<b>(0.9)</b>	(3.3)
Carried interest and performance fee payouts - internal	<b>0.2</b>	0.6	<b>0.5</b>	1.6
Carried interest and performance fee payouts - external	-	0.1	-	0.6
<b>Adjusted base EBITDA <sup>(1)</sup></b>	<b>18.8</b>	18.1	<b>71.9</b>	71.0
Net income per share	<b>0.38</b>	0.29	<b>1.66</b>	0.70
EBITDA per share	<b>0.75</b>	0.72	<b>2.85</b>	2.83
Operating margin <sup>(1)</sup>	<b>56%</b>	59%	<b>57%</b>	57%

(1) EBITDA, adjusted EBITDA, adjusted base EBITDA, and operating margin are non-IFRS measures. See slide 2