



Sprott Inc. (NYSE/TSX: SII)

2021 Annual Results

February 25, 2022

Sprott

Forward-looking Statements

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) the potential purchase by Sprott Asset Management LP of exclusive licensing rights to the index tracked by the North Shore Global Uranium ETF (URNM); (ii) conditions in place for resumption of precious metals bull market; (iii) building on SPUT success with new strategies in complementary mineral sectors; (iv) continuing to explore opportunities to grow AUM through product acquisitions; (v) continue expansion of lending business with new strategies in 2022; 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 COVID-19; 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, 2021. 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) risks relating to the Company's brokerage business; (xxviii) the potential risk that the transaction and the related fund reorganization will not be approved by the shareholders of URNM; (xxix) failure to, in a timely manner, or at all, obtain the other necessary approvals for the transaction and related fund reorganization; (xxx) failure of the parties to otherwise satisfy the conditions to complete the transaction and related fund reorganization; (xxxi) the effect of the announcement of the transaction and related transaction on URNM generally and other customary risks associated with transactions of this nature; (xxxii) those risks described under the heading "Risk Factors" in the Company's annual information form dated February 24, 2022; and (xxxiii) 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, 2021. 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.

Speakers



Peter Grosskopf,
CEO,
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Whitney George,
President,
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John Ciampaglia,
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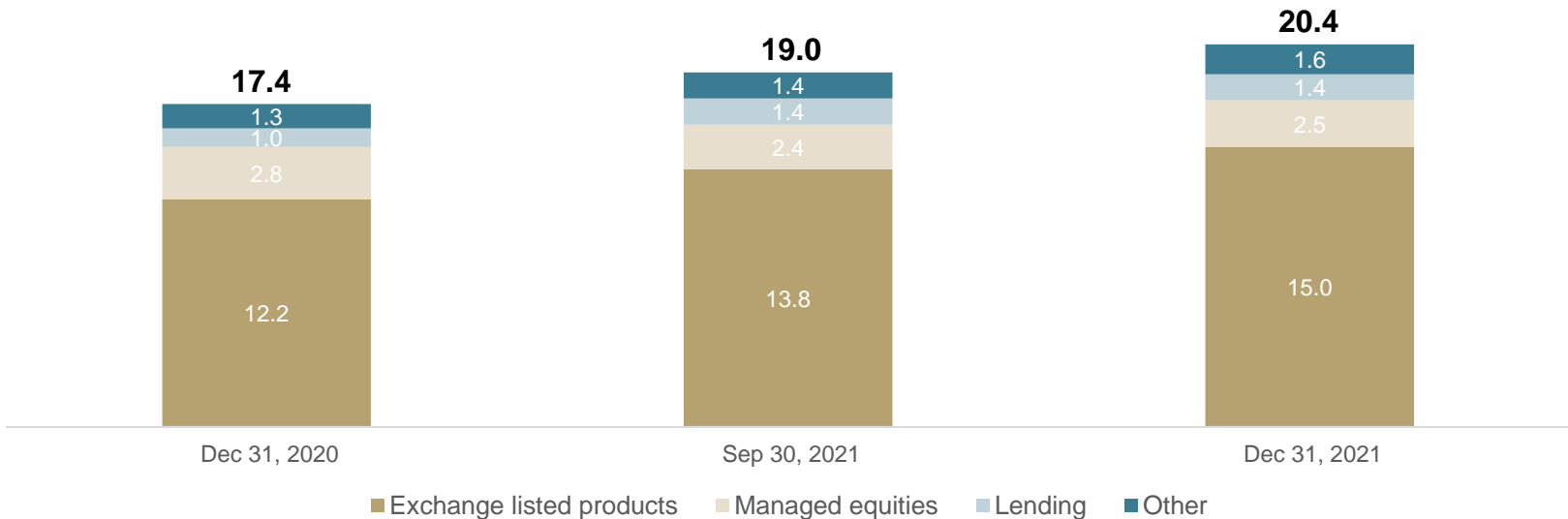
2021 Highlights

- Strong performance from all business units in 2021
- Continued growth in Exchange Listed Products
 - Sprott Physical Silver Trust inflows in H1
 - Acquisition of UPC and subsequent launch of the Sprott Physical Uranium Trust established Sprott as a global leader in physical uranium investments
- Managed Equities redemptions slowed in 2021
 - Poised for resurgence in 2022 as precious metals prices strengthen
- Expanded Lending platform with successful close of Private Streaming and Royalty Fund
- Canadian and US brokerage businesses delivered meaningful contributions
- Sprott is well positioned for current market environment

December 31, 2021 AUM summary

- AUM was \$20.4 billion as at December 31, 2021, up \$1.4 billion (8%) from September 30, 2021, and up \$3.1 billion (18%) from December 31, 2020

AUM (in \$ billions)

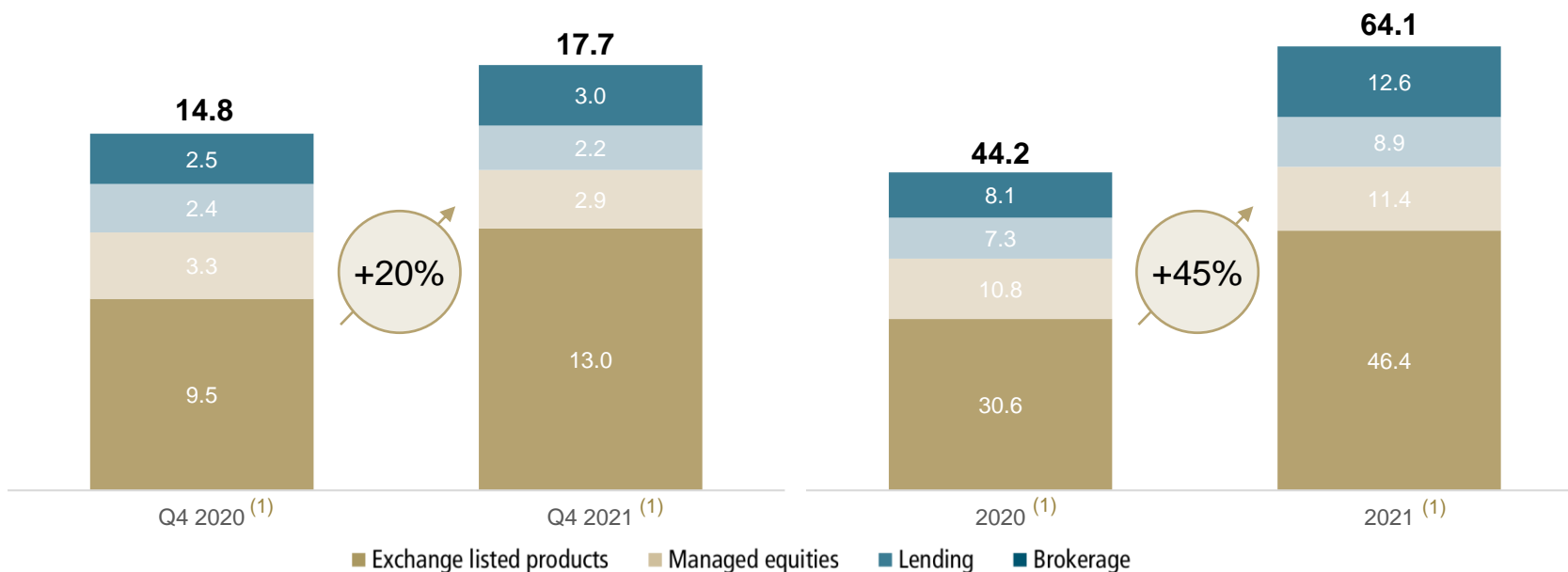


Segment results

- Net income for the 3 months ended Dec 31, 2021 was \$10.2 million, up \$3.5 million (51%) from the 3 months ended Dec 31, 2020 and \$33.2 million for the 12 months ended Dec 31, 2021, up \$6.2 million (23%) from the 12 months ended Dec 31, 2020
- Adjusted base EBITDA for the 3 months ended Dec 31, 2021 was \$17.7 million, up \$3 million (20%) from the 3 months ended Dec 31, 2020 and a record \$64.1 million for the 12 months ended Dec 31, 2021, up \$19.9 million (45%) from the 12 months ended Dec 31, 2020

Adjusted base EBITDA (in \$ millions)
3 month results

Adjusted base EBITDA (in \$ millions)
12 month results

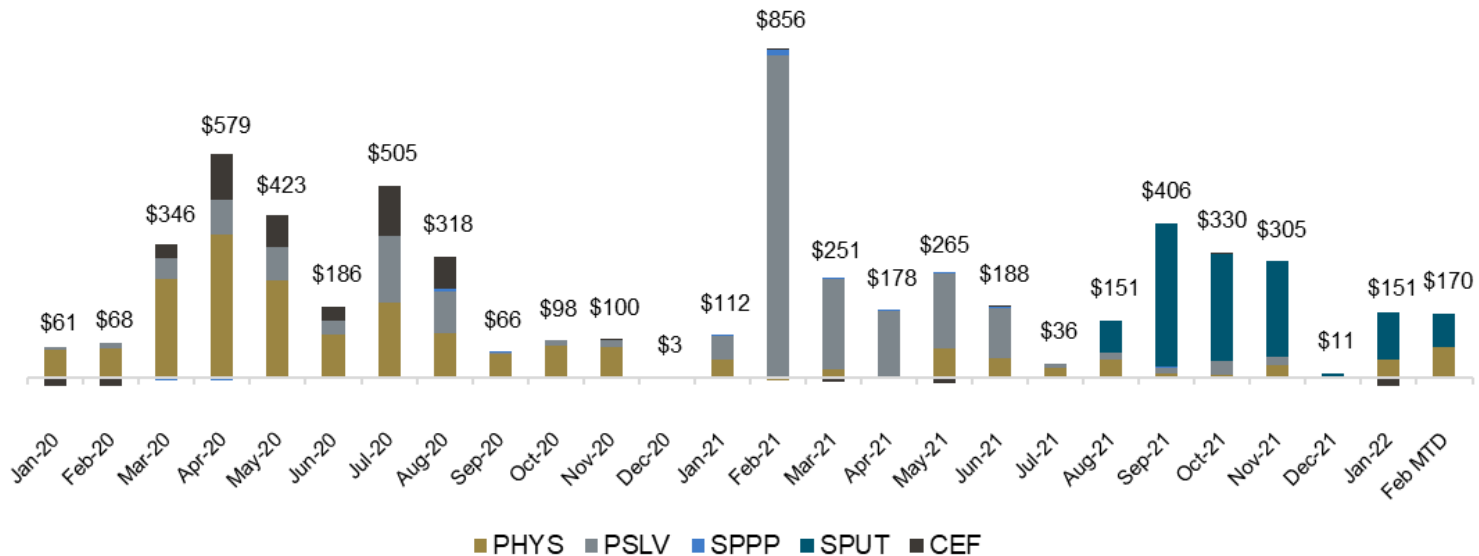


(1) Net of corporate costs, consolidation, elimination, and non-reportable segment entries in the quarter of \$(3.4MM) (Q4 2020: \$(2.9MM)) and on a full year basis of \$(15.3MM) (2020: \$(12.5MM)). See Note 14 of the financial statements

Exchange Listed Products: Physical Trusts

- Q4 sales of \$646MM
- 2021 flows of \$3.1B, up \$300MM from 2020
 - SPUT & PSLV accounted for majority of new sales
- Flows returning to PHYS YTD 2022 after quiet 2021
- SPUT ATM sales accelerating quickly in Q1 after slower December

Physical Trust Sales
(in millions)



Growing Our Market Share

2021 Fund Flows Data Gold Funds

Ticker	Fund Name	Net Flows (MM)	AUM (MM)
IAUM	iShares Gold Trust Micro	849.39	872.38
GLDM	SPDR Gold MiniShares Trust	500.48	4,355.31
PHYS	Sprott Physical Gold Trust	\$314.4	5,008.02
OUNZ	VanEck Merk Gold Trust	163.41	588.92
CEF	Sprott Physical Gold & Silver Trust	-\$17.5	4,094.37
AAAU	Goldman Sachs Physical Gold ETF	-68.76	424.22
SGOL	Aberdeen Standard Physical Gold Shares ETF	-131.10	2,391.23
BAR	GraniteShares Gold Trust	-151.39	912.01
IAU	iShares Gold Trust	-1,795.66	28,723.02
GLD	SPDR Gold Trust	-10,776.62	57,074.81

2021 Fund Flows Data Silver Funds

Ticker	Fund Name	Net Flows (MM)	AUM (MM)
PSLV	Sprott Physical Silver Trust	\$1,756	3,600.11
SIVR	Aberdeen Standard Physical Silver Shares ETF	273.82	995.15
SLV	iShares Silver Trust	-424.47	12,249.23

URNM ETF Transaction

- In Q4 2021, Sprott announced agreement to acquire exclusive licensing rights to the index tracked by the North Shore Global Uranium ETF (NYSE Arca: URNM)
- Perfect complement to SPUT
 - High investor overlap between physical uranium and uranium equities
 - Positions Sprott with two market leading uranium funds
- The transaction was approved by the Board of Trustees of the Exchange Traded Concepts Trust, of which URNM is a series
- Shareholder approval is required to complete transaction
 - The original meeting date was February 23, 2022 but the required quorum had not been achieved
 - New meeting date is March 23, 2022
 - Due to the large number of individual URNM shareholders, it is important that they vote in order to ensure the transaction is completed as soon as possible

Managed Equities

- Gold & silver stocks failed to capture investor attention in 2021 as broader markets surged
- Sprott strategies delivered performance largely in line with competitors
- Redemptions were down significantly in 2021 compared to 2020
- Rotation underway in 2022
 - Positive performance vs broad equity market
 - Net sales for a number of strategies YTD

Private Strategies

- Combined Lending and Streaming strategies AUM \$1.4B as of December 31, 2021
- Weaker originations in Lending funds were offset by strong flows to Private Resource and Streaming strategy
 - Streaming and Royalty Strategy raised more than \$400MM in 2021 and recently completed \$700MM final close
 - \$145MM deployed to date
- Expected to continue expanding Lending business with new strategies in 2022

Brokerage

- Canadian and US brokerages delivered strong contributions in 2021
- Canadian broker benefited from strong origination activity in H1 2021
 - Focused on diversifying coverage to include energy transition and specialty metals
- US broker continued to generate new sales, largely from transition of AUA to fee-earning AUM

2022 Focus

Driving Sustainable Growth

Conditions in place for resumption of precious metals bull market

Building on SPUT success with new strategies in complementary mineral sectors

Focused on driving growth in core strategies

Continuing to explore opportunities to grow AUM through product acquisitions



Supplemental Financial Information

Revenues

In millions \$	3 months ended		12 months ended	
	Q4 2021	Q4 2020	Q4 2021	Q4 2020
Management fees	27.8	22.0	103.9	72.9
Carried interest and performance fees	4.3	10.1	12.2	10.1
Carried interest and performance fee payouts	(2.5)	(5.5)	(7.2)	(5.5)
Trailer, sub-advisor and other fees	(1.7)	(0.6)	(4.0)	(2.0)
Direct payouts	(1.4)	(0.7)	(5.3)	(2.3)
Net fees ⁽¹⁾	26.5	25.3	99.5	73.1
Commissions	14.2	6.8	45.3	27.5
Commission expense – internal	(4.1)	(2.1)	(15.5)	(8.5)
Commission expense – external	(3.0)	(0.1)	(5.7)	(0.6)
Net commissions ⁽¹⁾	7.0	4.6	24.0	18.3
Finance income	0.8	1.6	3.5	4.0
Gain (loss) on investments	(0.0)	(3.1)	(1.9)	5.1
Other income	0.3	0.9	1.6	2.3
Total net revenues	34.6	29.4	126.8	102.8

(1) See the key performance indicators and non IFRS and other financial measures section of the MD&A.

Expenses

In millions \$	3 months ended		12 months ended	
	Q4 2021	Q4 2020	Q4 2021	Q4 2020
Compensation	20.6	20.2	76.7	57.6
Carried interest and performance fee payouts	(2.5)	(5.5)	(7.2)	(5.5)
Commission expense and direct payouts	(5.5)	(2.8)	(20.9)	(10.8)
Severance and new hire accruals	(0.2)	(0.1)	(0.7)	(1.3)
Net compensation ⁽¹⁾	12.4	11.8	47.9	39.9
Severance and new hire accruals	0.2	0.1	0.7	1.3
Selling, general and administrative	4.2	2.3	14.7	11.1
Interest expense	0.2	0.3	1.2	1.2
Depreciation and amortization	1.1	1.0	4.6	4.1
Other expenses (credits)	2.9	4.5	12.6	10.5
Total expenses	21.1	20.1	81.6	68.1

(1) See the key performance indicators and non IFRS and other financial measures section of the MD&A.

EBITDA reconciliation

In millions \$ (except for per share amounts)	3 months ended		12 months ended	
	Q4 2021	Q4 2020	Q4 2021	Q4 2020
Net Income	10.2	6.7	33.2	27.0
Per share	0.41	0.27	1.33	1.10
Adjustments:				
Interest expense	0.2	0.3	1.2	1.2
Provision for income taxes	3.4	2.6	12.0	7.7
Depreciation and amortization	1.1	1.0	4.6	4.1
EBITDA ⁽¹⁾	14.9	10.6	50.9	40.0
Other adjustments:				
(Gain) loss on investments	0.0	3.1	1.9	(5.1)
Non-cash stock based compensation	0.5	1.3	1.7	2.8
Other expenses (credits)	3.3	4.3	13.2	11.0
Adjusted EBITDA ⁽¹⁾	18.7	19.3	67.7	48.7
Other adjustments:				
Carried interest and performance fees	(4.3)	(10.1)	(12.2)	(10.1)
Carried interest and performance fee payouts	2.5	5.5	7.2	5.5
Trailer, sub-advisor and other fees	0.8	-	1.4	-
Adjusted base EBITDA ⁽¹⁾	17.7	14.8	64.1	44.2
Per share	0.71	0.60	2.58	1.80
Operating margin	55 %	51 %	53 %	49 %

(1) See the key performance indicators and non IFRS and other financial measures section of the MD&A.