



A-Mark to Increase Investment in Silver Gold Bull, Expanding International Direct-to-Consumer Footprint

April 29, 2022

EL SEGUNDO, Calif., April 29, 2022 (GLOBE NEWSWIRE) -- [A-Mark Precious Metals, Inc. \(NASDAQ: AMRK\) \(A-Mark\)](#), a leading fully integrated precious metals platform, today announced it has entered into a definitive agreement to acquire an additional 40% of the outstanding equity interest in Calgary-based [Silver Gold Bull Inc. \(SGB\)](#) for approximately \$44.0 million. The proposed investment will bring A-Mark's ownership in SGB to 47.4% and will expand A-Mark's direct-to-consumer (DTC) footprint in the international market. A-Mark acquired its initial interest in SGB in 2014, increasing its investment to 7.4% in 2018. Founded in 2009, SGB is a leading e-commerce precious metals retailer in Canada focused on providing online innovation, high-quality products, competitive pricing, and excellent customer service.

Acquisition Summary

- A-Mark will pay approximately \$44.0 million for 40% of the outstanding equity interest in SGB, implying an enterprise value of \$110.0 million. Total consideration is comprised of \$34.0 million in cash and \$10.0 million of A-Mark common stock.
- As a condition to closing, SGB will be required to have at least \$15.0 million in net tangible assets.
- A-Mark and SGB will enter into a four-year extension to the current supplier agreement extending its expiration to December 2026.
- A-Mark will have the right to purchase an additional 27.7% of the outstanding equity of SGB to bring its ownership interest to 75%. The option is exercisable between months 18 and 27 following closing.

The acquisition is expected to close in the second quarter of calendar 2022, subject to customary closing conditions and regulatory approval.

SGB financial and operational highlights for the 12 months ended March 31, 2022, include:

- Net sales of \$633.0 million, gross profit of \$41.2 million (6.5% of net sales), and pre-tax income of \$26.3 million (4.2% of net sales);
- Sold more than 9.1 million ounces of silver (up approximately 47.5% year-over-year) and more than 160,000 ounces of gold (up approximately 29% year-over-year);
- Added approximately 77,600 new customers in the period, for a total of 270,100 customers at March 31, 2022 (up approximately 48% period-over-comparable period);
- Processed approximately 244,200 orders in the period (up approximately 15% period-over-comparable period)

Management Commentary

"Since our initial investment in SGB and throughout my time on their Board or as a Board observer, since 2014, the A-Mark team and I have been continually impressed with SGB's track record of growth and profitability within their DTC markets," said A-Mark CEO Greg Roberts. "This investment will provide A-Mark with additional international presence through SGB's success in Canada and emerging growth opportunities in other international markets. Additionally, the extended supplier agreement will allow both companies to continue leveraging A-Mark's minting and wholesale sources of supply. We continue to execute our strategy of growing our retail footprint with this current investment and the option we secured to further expand our ownership in SGB in the future."

Bob Belandis, President, and Co-founder of Silver Gold Bull commented: "This is an exciting day for Silver Gold Bull. We have enjoyed substantial growth since we started our company 13 years ago through the hard work of our committed team. Strengthening our partnership with A-Mark will allow SGB to continue being well-positioned to capture opportunities within the online bullion market for Canada and other international geographies."

Transaction Advisors

D.A. Davidson & Co. is acting as financial advisor to A-Mark, and Kramer Levin Naftalis & Frankel LLP and Frye & Hsieh LLP are acting as legal advisors to A-Mark. MLT Aikins LLP is acting as legal advisor to SGB.

About A-Mark Precious Metals

Founded in 1965, A-Mark Precious Metals, Inc. (NASDAQ: AMRK) is a leading fully integrated precious metals platform that offers an array of gold, silver, platinum, palladium, and copper bullion, numismatic coins and related products to wholesale and retail customers via a portfolio of channels. The company conducts its operations through three complementary segments: Wholesale Sales & Ancillary Services, Direct-to-Consumer, and Secured Lending. The company's global customer base spans sovereign and private mints, manufacturers and fabricators, refiners, dealers, financial institutions, industrial users, investors, collectors, and e-commerce and other retail customers.

Important Cautions Regarding Forward-Looking Statements

Statements in this press release that relate to future plans, objectives, expectations, performance, events and the like are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995 and the Securities Exchange Act of 1934. Future events, risks and uncertainties, individually or in the aggregate, could cause actual results to differ materially from those expressed or implied in these statements. Factors that could cause actual results to differ include the following: the inability to satisfy the conditions to the closing of the SGB investment; the failure of SGB to maintain its unique customer base or changes in the buying preferences of this customer base; the failure otherwise to achieve anticipated benefits of the investment; changes in consumer demand and preferences for precious metal products generally; the continuing effects of the COVID-19 pandemic and the eventual return to normalized business and economic conditions; and the strategic, business, economic, financial, political and governmental risks described in in the company's public filings with the Securities and Exchange Commission.

The words "should," "believe," "estimate," "expect," "intend," "anticipate," "foresee," "plan" and similar expressions and variations thereof identify certain of such forward-looking statements, which speak only as of the dates on which they were made. Additionally, any statements related to future performance are forward-looking statements. The company undertakes no obligation to publicly update or revise any forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

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