

Investor Overview – October 2020

October 29, 2020

Safe Harbor Statement

This presentation contains statements that are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended that are based on management's current expectations and assumptions and are subject to risks and uncertainties. These forward looking statements can often be identified by their use of words such as "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "forecast," "intends," "may," "outlook," "plans," "potential," "predicts," "projects," "should," "target," "will," "would" or the negative of these terms or other comparable terminology. Such forward looking statements include, but are not limited to, expressed or implied statements regarding future financial performance and future dividends, the effects of our business model, the effects of our balance sheet on our ability to pursue business opportunities, statements regarding the terms and conditions and timing of the senior notes offering and the intended use of proceeds, the effects and anticipated benefits of our acquisitions and related actions, the strength of our business segments, assessments of future opportunities and performance, expectations regarding future transactions, and the financial impact, size and consistency of returns and timing thereof, expectations regarding market dynamics, as well as statements regarding the effect of investments in our business segments. Because these forward-looking statements involve known and unknown risks and uncertainties, there are important factors that could cause actual results, events or developments to differ materially from those expressed or implied by these forward-looking statements. Factors that could cause actual results to differ from those contained in the forward-looking statements include but are not limited to risks related to: the unpredictable and ongoing impact of the COVID-19 pandemic; volatility in our revenues and results of operations; changing conditions in the financial markets; our ability to generate sufficient revenues to achieve and maintain profitability; the short term nature of our engagements; the accuracy of our estimates and valuations of inventory or assets in "guarantee" based engagements; competition in the asset management business; potential losses related to our auction or liquidation engagements; our dependence on communications, information and other systems and third parties; potential losses related to purchase transactions in our auctions and liquidations business; the potential loss of financial institution clients; potential losses from or illiquidity of our proprietary investments; changing economic and market conditions; potential liability and harm to our reputation if we were to provide an inaccurate appraisal or valuation; failure to successfully compete in any of our segments; loss of key personnel; our ability to borrow under our credit facilities or raise additional funds through offerings as necessary; failure to comply with the terms of our credit agreements; our ability to meet future capital requirements; and the diversion of management time on acquisition-related issues; and other risks described from time to time in B. Riley Financial, Inc.'s periodic filings with the SEC, including, without limitation, the risks described in B. Riley Financial, Inc.'s Annual Report on Form 10-K for the year ended December 31, 2019 and Quarterly Reports on Form 10-Q for the quarters ended March 31, 2020 and June 30, 2020 under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Additional information will be set forth in our Quarterly Report on Form 10-Q for the quarter ended September 30, 2020. These factors should be considered carefully and readers are cautioned not to place undue reliance on such forward-looking statements. All information is current as of the date this presentation is issued, and B. Riley Financial, Inc. undertakes no duty to update this information.



Introduction

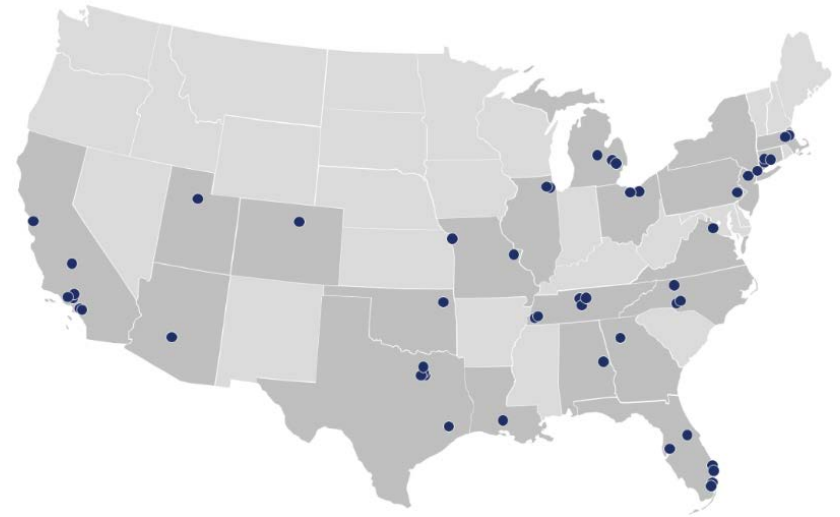
B. Riley Financial (NASDAQ:RILY)

Overview

B. Riley Financial, Inc. (“B. Riley”) is a financial services and business advisory firm which provides tailored solutions to meet the strategic, operational and capital needs of its clients and partners through a diverse range of collaborative and complementary business capabilities.

- Founded in 1997
- Publicly listed in 2014
- Headquartered in Los Angeles
- 50+ offices across the U.S.
- 1,000 employees¹
- Long-standing management
- Strong investment acumen
- History of returning capital to stockholders
- 20+ years of continued growth

Locations *



* International operations in Germany, Australia and India

Key Executives



Bryant Riley
Chairman &
Co-CEO



Tom Kelleher
Co-CEO



Phil Ahn
CFO & COO



Kenny Young
President



Dan Shribman
Chief Investment
Officer

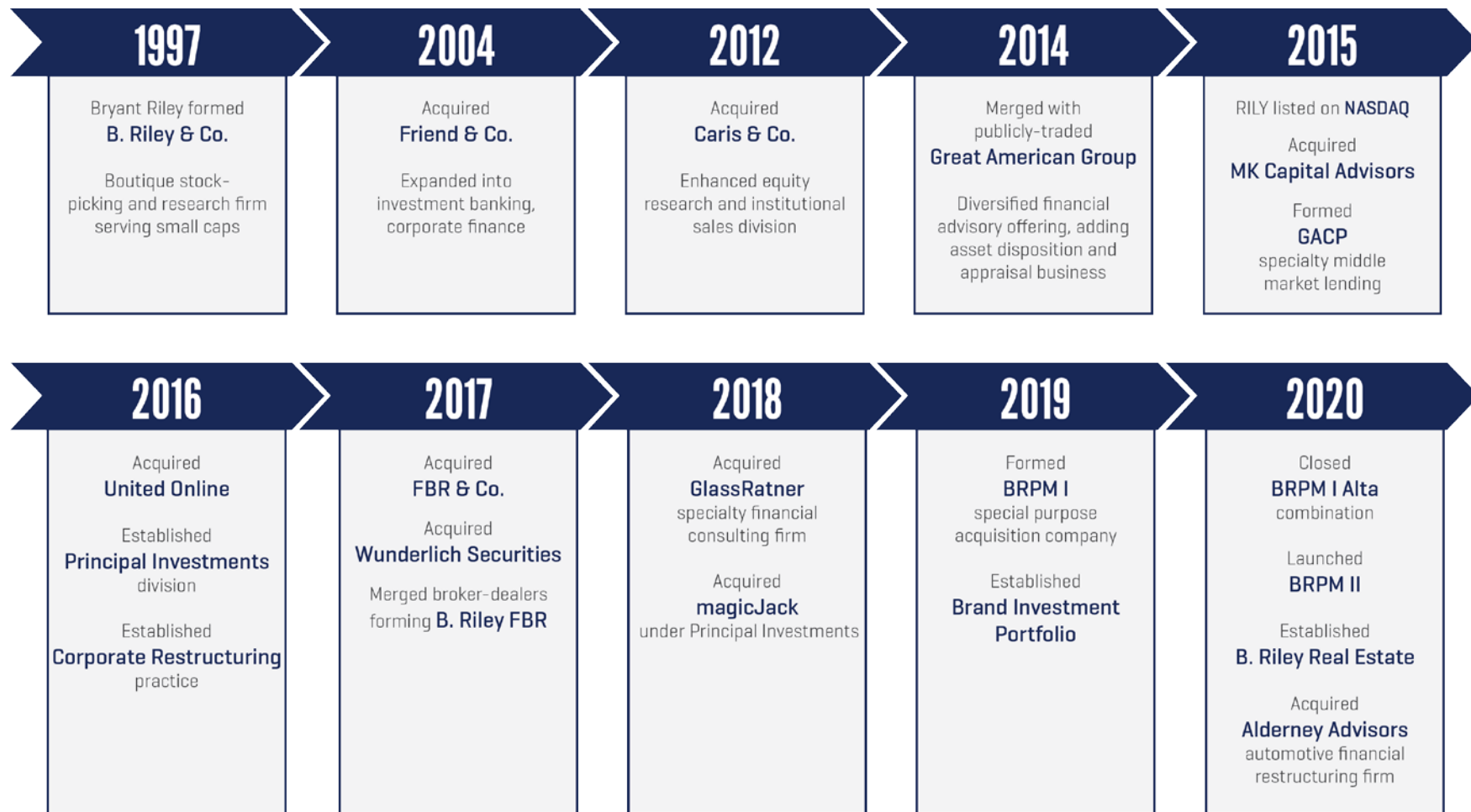


Alan Forman
EVP
General Counsel

1. Figure shown is an approximation and does not reflect actual number of employees.

Origin and Historical Timeline

With over 20 years of continued growth, B. Riley has developed a platform that offers diverse revenue streams and a full suite of end-to-end, complementary services for clients and partners



Recent News and Developments

“B. Riley's Ready to Deal in a Disrupted Economy”

Management Sees Investment Opportunities in an Uncertain Time

[San Fernando Valley Business Journal](#), Published July 6, 2020

B. Riley will continue pursuing an aggressive strategy of acquisitions and deal-making in the future. Bryant Riley said the company has found that market disruption –such as the one caused by the coronavirus outbreak– creates opportunities. And his senior management team intend to aggressively pursue these opportunities.

B. Riley Financial Closes Depository Shares Offering

[News Release](#), Published September 4, 2020

The offering resulted in net proceeds of approximately \$31.5 million after deducting underwriting discounts and commissions, but before expenses. The Company expects to use the net proceeds of this offering for general corporate purposes, including funding future acquisitions and investments, repaying indebtedness, making capital expenditures and funding working capital.

B. Riley Launches B. Riley Venture Capital

[News Release](#), Published October 6, 2020

B. Riley Venture Capital will pursue investments in late-stage growth companies with a path toward public markets. The venture capital business will benefit from the depth and breadth of B. Riley's investment banking, capital markets and advisory businesses, with syndication opportunities across B. Riley's institutional, banking and retail client base.

B. Riley Financial Rebrands B. Riley FBR, GlassRatner, and Great American Group

[News Release](#), Published September 14, 2020

B. Riley adopted new brand names across its subsidiary companies to provide greater external consistency and affiliation among the diverse stakeholders it serves. The goal of the rebranding is drive greater visibility and awareness for the depth and breadth of B. Riley's diverse suite of services.

Amazon Prime Day 2020 May Send More Retailers into the Grave

[yahooFinance](#), Published October 13, 2020

The aftermath of a blowout Amazon Prime Day in October may not be fully felt in the retail sector until after this coming holiday season. “Certainly if retailers who are on the edge don't have strong seasons, come January you can see a whole bunch of bankruptcies,” said Perry Mandarino, B. Riley's co-head of investment banking



Investment Metrics

Strong Balance Sheet with Attractive Dividend Yield

Balance Sheet Summary ⁽¹⁾		Financial Highlights (9/30/2020 LTM) ⁽⁶⁾			
Cash & Cash Equivalents	\$169.7M	Total Revenues	\$657.8M	Total Adj. EBITDA ⁽¹¹⁾	\$196.6M
Securities and Other Investments Owned, net ⁽²⁾	\$411.4M	Operating Revenues ⁽⁷⁾	\$659.2M	Operating Adj. EBITDA ⁽⁹⁾⁽¹¹⁾	\$201.3M
Loans Receivable, net of Loan Participations Sold	\$330.4M	Investment Gains (Loss) ⁽⁸⁾	(\$1.4M)	Investment Adj. EBITDA ⁽¹⁰⁾⁽¹¹⁾	(\$4.7M)
Other investment assets ⁽³⁾	\$80.2M	Valuation Measures		Trading Data	
Total Cash, Net Securities and Investments, and Other ⁽²⁾⁽³⁾	\$991.7M	Market Cap	\$627.4M	Stock Price (at 10/28/20)	\$24.67
Term Loan	\$52.5M	Preferred Shares – FMV ⁽¹²⁾	\$92.2M	52 Week High/Low	\$30.17 \$12.94
Senior Notes and other Notes Payable	\$855.6M	Total Cash and Investments, Net of Debt ⁽⁵⁾	\$83.6M	Shares Outstanding ⁽¹⁾	25.4M
Total Debt ⁽⁴⁾	\$908.1M	Enterprise Value ⁽¹³⁾	\$636.0M	Public Float, est. ⁽¹⁾	75.4%
Total Cash and Investments, Net of Debt ⁽⁵⁾	\$83.6M	EV/Total Revenues ⁽⁶⁾⁽¹³⁾	1.0x	Inst. Holdings ⁽¹⁴⁾	55.3%
		EV/Adj. EBITDA ⁽⁶⁾⁽¹¹⁾⁽¹³⁾	3.2x	Insider Holdings ⁽¹⁾	24.6%
		EV/Operating Adj. EBITDA ⁽⁶⁾⁽⁹⁾⁽¹¹⁾⁽¹³⁾	3.2x	Dividend Yield – LTM ⁽¹⁵⁾	6.5%

1. As of 09/30/2020.

2. Includes approximately \$459.5M in securities and other investments owned net of \$48.1M in securities sold not yet purchased.

3. Includes approximately \$1.4M in restricted cash, \$19.6M in due from clearing brokers, \$0.9M in advances against customer contracts, and \$58.4M in other equity investments reported in prepaid expenses and other assets.

4. Excludes operating lease liabilities.

5. Defined as total cash, net securities and investments, and other minus total debt.

6. Based on 9/30/2020 last twelve months results.

7. Operating Revenues is defined as the sum of revenues from (i) Service and Fees, (ii) Interest Income - Loans and Securities Lending and (iii) Sales of Goods.

8. Investment Gains (Loss) is defined as Trading Income (losses) and Fair Value Adjustments on Loans.

9. Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses.

10. Investment Adjusted EBITDA is defined as Trading Income (losses) and Fair Value Adjustments on Loans, less other investment related expenses.

11. For a definition of Adjusted EBITDA and a reconciliation to GAAP financial measures, please see the Appendix.

12. Fair market value of RILYP and RILYL preferred shares as of 10/28/20 for total shares outstanding as of 9/30/20.

13. Enterprise value is defined as market capitalization, less cash and cash equivalents, restricted cash, due from clearing brokers, advances against customer contracts, the net amount of loans receivable and loan participations sold, the net amount of securities and other investments owned and securities sold not yet purchased, and other equity investments and investment related deposits reported in prepaid expenses and other assets, plus notes payable, term loan, senior notes payable, and fair market value of RILYP and RILYL outstanding preferred shares as of 10/28/20.

14. Source: NASDAQ as of 10/28/2020.

15. Calculated based on \$1.60 per share dividend paid since November 2019 divided by share price as of 10/28/2020.

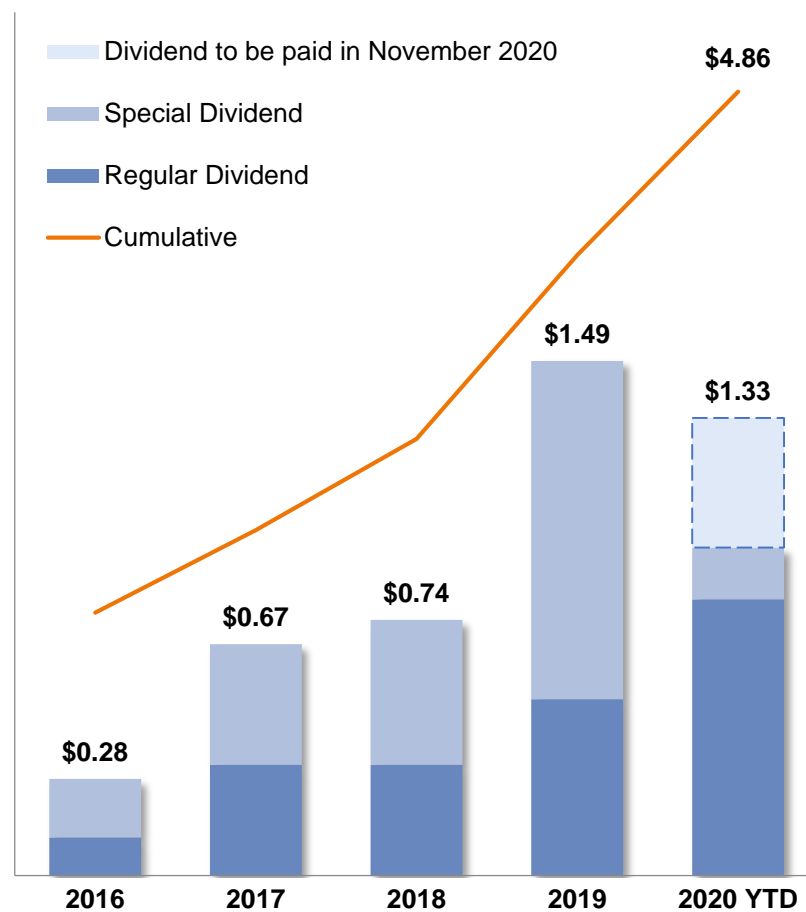
History of Returning Capital to Stockholders

Common Dividends ⁽¹⁾

Overview

- Regular quarterly dividend of **\$0.375** per share
 - Raised from \$0.30 per share on October 29, 2020
 - Previously raised from \$0.25 on July 30, 2020
- Cumulative total of approximately **\$4.86** per common share returned to shareholders as of November 2020

Historical Dividends



1. There can be no assurance that we will continue to generate sufficient cash to pay dividends or that we will pay dividends in future periods. Further, the issuance of preferred stock may reduce or eliminate our ability to make common stock dividends.

Maintain Significant Ownership, Strong Shareholder Alignment

Shareholder Alignment

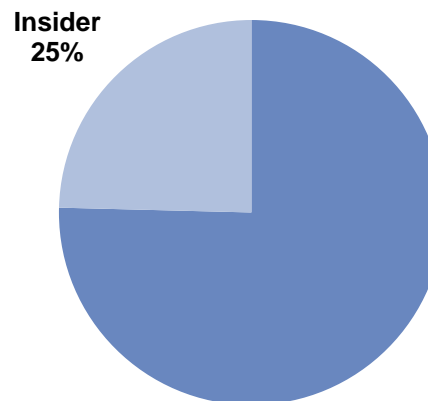
Insider Ownership ⁽¹⁾

- 25% of total holdings owned by executives and board
- 202K open market purchases YTD 2020
- 650K open market purchases since 2018

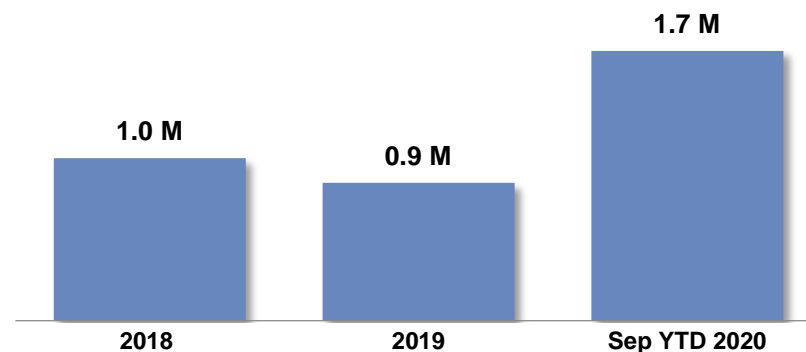
Company Buybacks ⁽²⁾

- Share repurchase program announced October 30, 2018
- Approximately 1.7M shares repurchased YTD 2020
- 3.6M shares/warrants purchased since 2018

Insider Ownership ⁽¹⁾



Company Buybacks ⁽²⁾



1. Insider purchase data from 3/13/2018 to 9/30/2020

2. Common share and warrant repurchases from 4/1/2018 to 9/30/2020.

The background image is a blurred office scene with a blue overlay. It shows a desk with a calculator, a pen, and various documents. In the foreground, a hand is pointing at a tablet displaying a pie chart. The overall aesthetic is professional and data-oriented.

Financial Overview

Financial Summary

Overview

Offers revenue diversification through a mix of steady, recurring revenue sources and episodic opportunities

Episodic Operating Businesses

- Investment Banking, Capital Markets, Venture Capital
- Retail Liquidation

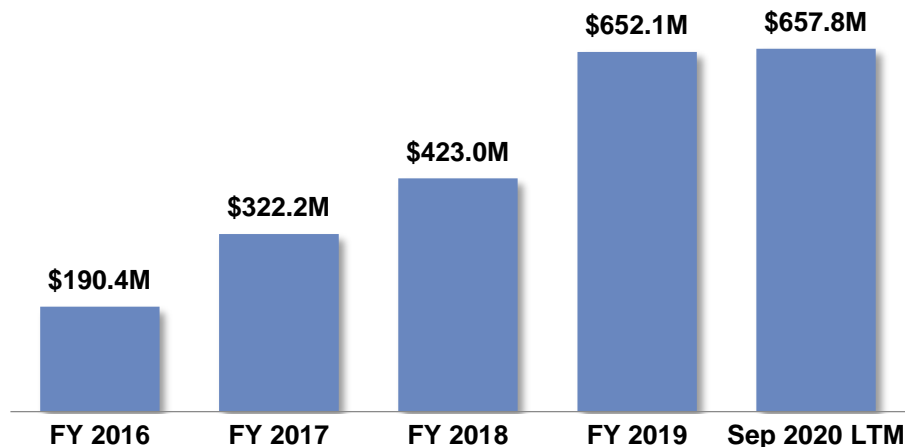
Steady Operating Businesses

- Principal Investments (magicJack, United Online)
- Specialty Financial Consulting
- Appraisal and Valuation
- Wealth Management

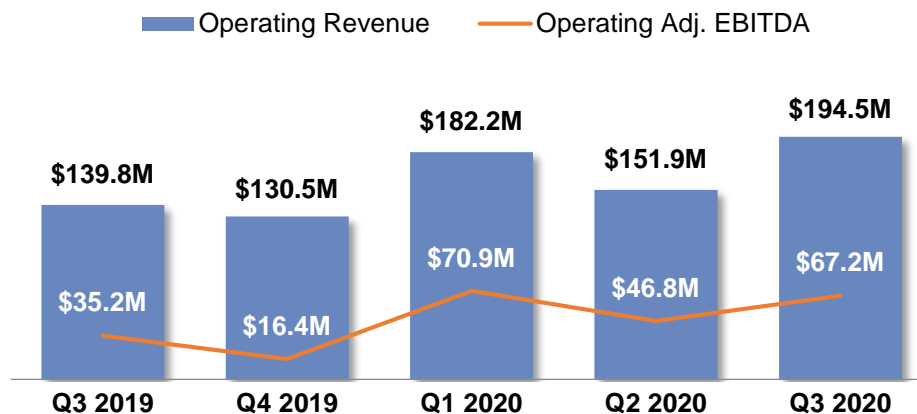
Proprietary Investments

- Opportunistic co-investments with client-partners
- Benefit from our operational, financial, industry expertise
- Create opportunities for operating business
- Drive shareholder value

Historical Annual Consolidated Revenues



Historical Quarterly Operating Revenues ⁽¹⁾⁽²⁾



1. Operating Revenue is defined as the sum of revenues from (i) Service and Fees, (ii) Interest Income - Loans and Securities Lending and (iii) Sales of Goods.

2. Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses. For a definition of Adjusted EBITDA and a reconciliation to GAAP financial measures, please see the Appendix.

Financial Summary – Operating and Investment Results

Our Approach

Our diverse platform provides us with proprietary investment ideas to support our clients and partners while generating returns for our investors. These opportunistic investments are:

- Accretive and drive shareholder value
- Focused on delivering financial improvements to maximize free cash flow

Opportunities

We actively co-invest in opportunities that can:

- Leverage our core business services and industry knowledge
- Create opportunities for our operating business
- Generate yield and drive incremental returns
- Offer growth, FCF and recurring revenue

Operating and Investment Results

(Dollars in thousands)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020
Operating Revenues ⁽¹⁾	\$ 139,795	\$ 130,504	\$ 182,236	\$ 151,921	\$ 194,500
Investment Gains (Loss) ⁽²⁾	40,268	34,733	(182,442)	114,547	31,753
Consolidated Revenue	\$ 180,063	\$ 165,237	\$ (206)	\$ 266,468	\$ 226,253
Operating Adj. EBITDA ⁽³⁾	\$ 35,200	\$ 16,394	\$ 70,908	\$ 46,756	\$ 67,222
Investment Adj. EBITDA ⁽⁴⁾	35,130	33,875	(166,972)	101,507	26,911
Consolidated Adj. EBITDA ⁽⁵⁾	\$ 70,330	\$ 50,269	\$ (96,064)	\$ 148,263	\$ 94,133

1. Operating Revenue is defined as the sum of revenues from (i) Service and Fees, (ii) Interest Income - Loans and Securities Lending and (iii) Sales of Goods.

2. Investment Gains (Loss) is defined as Trading Income (losses) and Fair Value Adjustments on Loans.

3. Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses.

4. Investment Adjusted EBITDA is defined as Trading Income (losses) and Fair Value Adjustments on Loans, less other investment related expenses.

5. For a definition of Adjusted EBITDA and reconciliation to GAAP financial measures, please see appendix.

Segment Overview

Segment Mix

Consistent cash-flow generating, and steadier businesses provide balance to episodic banking and liquidation businesses, investments

Capital Markets	Auction & Liquidation	Valuation & Appraisal	Principal Investments	Brands
<ul style="list-style-type: none"> Investment Banking Sales & Trading Financial Advisory Wealth Management Fund Management Proprietary Investments, Loans Venture Capital 	<ul style="list-style-type: none"> Retail Liquidation 	<ul style="list-style-type: none"> Appraisals 	<ul style="list-style-type: none"> United Online (netzero, Juno) magicJack 	<ul style="list-style-type: none"> Six Brands ⁽¹⁾ Hurley bebe stores

Q3 2020 Segment Results

(Dollars in thousands)	Capital Markets	Auction and Liquidation	Appraisal	Principal Investments	Brands
Operating Revenues ⁽²⁾	\$ 115,058	\$ 44,185	\$ 9,655	\$ 21,602	\$ 4,000
Investment Gains ⁽³⁾	31,753	-	-	-	-
Segment Revenue	\$ 146,811	\$ 44,185	\$ 9,655	\$ 21,602	\$ 4,000
Segment Operating Income ⁽⁴⁾	\$ 37,900	\$ 12,000	\$ 2,972	\$ 8,368	\$ 2,292
Investment Gains Income ⁽⁵⁾	26,911	-	-	-	-
Segment Income	\$ 64,811	\$ 12,000	\$ 2,972	\$ 8,368	\$ 2,292

1. BR Brands investment portfolio is comprised of six brands, including Catherine Malandrino, English Laundry, Joan Vass, Kensie Girl, Limited Too and Nanette Lepore.

2. Operating Revenue is defined as the sum of revenues from (i) Service and Fees, (ii) Interest Income - Loans and Securities Lending and (iii) Sales of Goods.

3. Investment Gains is defined as Trading Income (losses) and Fair Value Adjustments on Loans.

4. Segment Operating Income is defined as segment income excluding trading income (losses) and fair value adjustments on loans and other investment related expenses

5. Investment Gains Income is defined as Trading Income (losses) and Fair Value Adjustments on Loans, less other investment related expenses

A group of business professionals are seated around a long wooden table in a modern office setting. The office has large floor-to-ceiling windows that offer a panoramic view of a city skyline, including several construction cranes. The scene is dimly lit, suggesting an evening or overcast day. The overall atmosphere is professional and collaborative. A blue diagonal graphic element is present on the left side of the image, and a white horizontal line is positioned below the main text.

Business Overview

B. Riley at a Glance



Who We Are

Trusted Advisors

- We offer a wide range of end-to-end business advisory and financial services solutions tailored to fit the needs of our clients through a diverse mix of complementary businesses

Strategic Partners

- We partner with clients in providing senior-led services and financing to support the execution of mission-critical strategic growth objectives at any stage in the company life cycle

Value Investors

- We leverage the deep investment, operational and industry expertise of our affiliated companies to source attractive opportunities that are proprietary to B. Riley

Who We Serve

Corporate Clients

- Pre- and post-public issuers, private companies, corporations, debtors

Financial Institutions, Investment Firms

- Private equity firms, sponsors, lenders, hedge funds, pension funds, family offices

Professional Services Firms and Advisors

- Auditors, creditor committees, trustees

Individuals

- Individuals and families, business owners and executives, HNW investors

Our Structure and Diverse Business Mix

Investment Banking

- Full-service investment bank
- Capital markets, M&A, restructuring
- 450+ companies covered by equity research ⁽¹⁾
- 1,000 + institutional clients ⁽²⁾

Principal Investments

- Proprietary investments
- Control and minority investments
- Venture Capital

Wealth Management

- Private wealth services
- 170+ financial advisors ⁽³⁾
- \$12B+ in client AUM ⁽⁴⁾

Specialty Financial Advisory

- Bankruptcy, financial, operational restructuring consulting
- Forensic accounting, litigation support
- Valuation disputes, fraud investigations
- Due diligence and QOE analysis

B | RILEY
Financial

Complementary mix of steady cash flow and episodic higher margin businesses

Retail Liquidation

- Leading operator of retail, wholesale, industrial auctions and liquidations
- 3,900+ store closures in 2019 with \$2.9B+ in associated liquidation inventory value

Appraisal

- Equipment, inventory, real estate ABL appraisals
- 1,000+ company appraisals per year

Real Estate

- Real estate advisory and valuation services, in the U.S. and abroad
- Serves companies of varying sizes, financial institutions, investors, family offices and individuals

1. Companies covered by B. Riley Securities Equity Research division as of 9/30/20.
2. B. Riley Securities institutional sales & trading clients as of 9/30/20.
3. B. Riley Wealth Management advisors as of 9/30/20.
4. B. Riley Wealth Management AUM as of 9/30/20.

B. Riley Securities (formerly B. Riley FBR)

Investment Banking and Brokerage

- Full-service investment bank providing comprehensive corporate finance solutions for public and private companies
- Offers fully-customized creative capital markets solutions
- Leader in small- and mid-cap debt/equity offerings
- Established franchise in SPAC, ATM and 144A deals
- Go-to source for quality small- and mid-cap research
- Leverages broad retail, family office distribution network
- Recognized as leading adviser to distressed companies ⁽³⁾
- Strong Q3 2020 performance driven by continued capital markets rebound
- SPAC group and ATM business activity remains strong
- Increase in financial restructuring mandates as result of COVID-19, including significant retail and consumer products engagements

Key Stats & Accolades

Investment Banking - 80+ professionals ⁽¹⁾

- **#1** bookrunner for at-the-market (ATM) issuances ⁽²⁾
- **Top 10** bankruptcy financial adviser ⁽³⁾

Sales & Trading – 70+ professionals ⁽¹⁾

- **1,000+** institutional client relationships ⁽⁴⁾

Equity Research - 45+ professionals ⁽¹⁾

- **450+** companies covered by research ⁽⁵⁾
- **#3** most small-caps under coverage ⁽⁶⁾

Recent Deals

August 2020
\$37,200,000



Initial Public Offering
Lead Bookrunner

September 2020
\$172,500,000



Initial Public Offering
Sole Bookrunner

September 2020
\$11,900,000



Follow-On Offering
Joint Bookrunning
Manager

1. B. Riley Securities investment banking, sales & trading and research professionals as of 09/30/20.
2. Source: Dealogic, Company Filings, PlacementTracker, 12/31/09 – 12/31/19. Apportioned credit to all placement agents
3. Source: The Deal, Bankruptcy Restructuring Advisers Power Rankings for Q1 2020
4. B. Riley Securities institutional sales & trading clients as of 9/30/2020.
5. B. Riley Securities Equity Research coverage as of 9/30/20.
6. Sources: StarMine rankings as of 11/14/19. Bloomberg, FactSet, and company websites used for firms not included in StarMine rankings. Overall coverage includes only companies with a rating & domiciled in the U.S. Does not include Closed End Funds. Small-Cap Coverage includes market caps less than \$1 billion.

B. Riley Wealth Management

Wealth Management

- Acquired Wunderlich Securities in July 2017
- Provides consultative investment advice, financial planning expertise and retail brokerage services
- Serves individuals and families, corporations and non-profit organizations, qualified retirement plans, trusts, foundations and endowments
- Large private client network with strong demand for new issues offers enhanced distribution and aftermarket benefits
- Benefits from B. Riley infrastructure, deals syndicate and ancillary investment offerings

Key Stats ⁽¹⁾

\$12B+ assets under administration

170+ experienced financial advisors

34,000+ active client accounts

Core Services

Individuals

- Financial planning
- Retirement income
- Estate planning
- Risk management & insurance
- Trust management

Corporations

- Qualified plan and 401(K) advisory services
- Investment banking and directed share programs
- Business lending resources through 3rd party institutions

1. Figures shown are approximations and do not reflect actual number of Assets under Administration, Active Client Accounts, Financial Advisors and Branch Locations as of 09/30/2020.

B. Riley Advisory Services (formerly GlassRatner)

Financial Advisory

- Acquired GlassRatner in August 2018
- Nationally recognized financial advisory firm
- Leading restructuring adviser
- Specializes in bankruptcy & restructuring, litigation support, forensic accounting, valuation disputes, due diligence and fraud investigations
- Serves stakeholders facing highly complex crisis management and litigation matters
- Key sectors include healthcare, automotive, agriculture, energy and power, retail and real estate
- Maintains strong performance since joining B. Riley
- Significant increase in bankruptcy & restructuring matters as result of COVID-19
- Acquired Alderney Advisors (auto restructuring firm) in Q2 2020

Key Stats & Accolades ⁽¹⁾⁽²⁾

100+ Financial Advisory Professionals

Top 10 Leading Restructuring Adviser

#1 Overall Expert Witness

#1 Forensic Accounting Firm

#1 Litigation Valuation Firm

Cross Border Special Situation M&A Deal of the Year



Illustrative Engagements



FA to International Fitness Chain



Chapter 11 Trustee for Hospital System



FA to UCC of Oil & Gas Company

1. B. Riley Advisory Services (formerly GlassRatner) professionals as of 09/30/20.

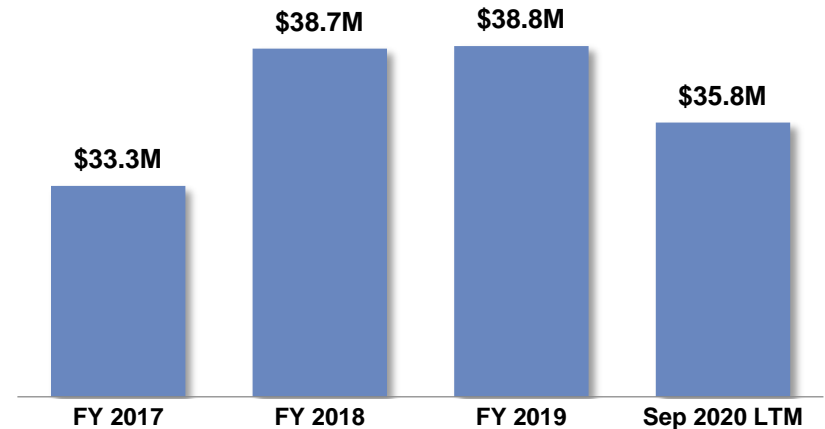
2. Sources: The Deal, Bankruptcy Restructuring Advisers Power Rankings for Q1 2020; ALM's Daily Report, "Best of 2019"; Corporate Counsel "Best Of" Awards (2018); and Global M&A Network, "Turnaround Atlas Awards" (2019).

B. Riley Advisory Services: Appraisal & Valuation

Appraisal & Valuation

- Provides valuation and appraisal services to financial institutions, lenders, private equity firms, and other providers of capital
- One of the largest appraisal practices in the U.S.; **100+** appraisal professionals ⁽¹⁾
- **1,500+** appraisals completed ⁽²⁾ for **1,100+** companies in 2019
- Large number of recurring appraisal engagements primarily supporting asset-based loans (ABLs)
- Appraisal segment generally maintains relatively steady performance quarter-to-quarter and year-to-year
- September 2020 LTM decline driven by pause in financing activity and travel restrictions due to COVID-19
- Anticipate greater opportunity post-COVID-19 as banks and capital lenders seek appraisal work to support future transactions

Historical Appraisal Revenue



Illustrative Clients



1. Appraisal and Valuation professionals as of 09/30/20.

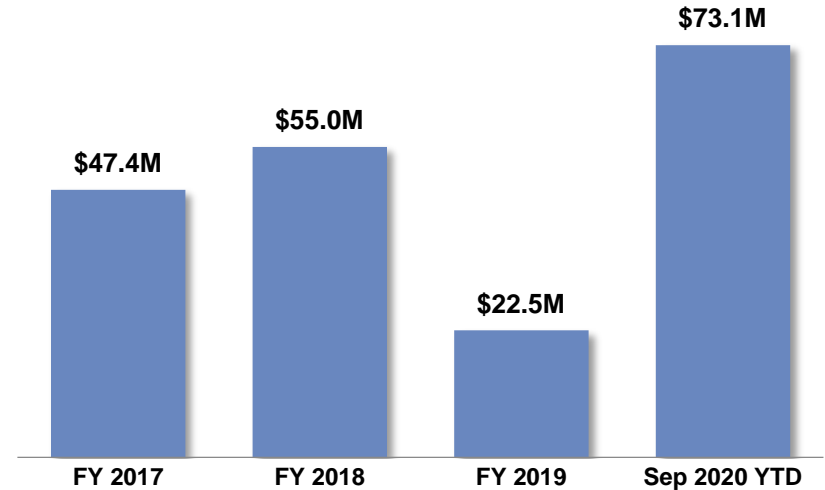
2. Figures shown are approximations and do not reflect actual number of completed appraisals or unique company appraisals.

B. Riley Advisory Services: Retail Liquidation

Retail Liquidation

- Great American Group merged with B. Riley in June 2014
- Leading operator of large-scale retail liquidations
- Episodic, counter-cyclical business which benefits from the acceleration of retail industry headwinds
- **3,900+** store closings completed with over **\$2.9 billion** in total value of assets liquidated in 2019 ⁽¹⁾
- **2,000+** store closings with over **\$2.8 billion** in associated retail inventory value in 2020 YTD ⁽¹⁾
- Real estate consolidation and purging excess inventory remain a key focus for retailers amid COVID-19 uncertainty
- Robust pipeline of fee-based liquidation projects through year-end

Historical Liquidation Revenue



Illustrative Engagements

Sur la table

MODELL'S
SPORTING GOODS

NEW YORK &
COMPANY

JCPenney

Tuesday Morning

Payless
SHOESOURCE

BON-TON

Toys R Us

bebe

1. Figures shown are approximations and do not reflect actual number of store closures or liquidated asset values.

B. Riley Real Estate Solutions

Real Estate Division

- Established B. Riley Real Estate in February 2020
- Offers real estate advisory in the U.S. and abroad
- Specializes in lease restructuring and real estate disposition
- Complements retail liquidation, core restructuring services
- Engaged in over **1,600** leases since inception
- Engaged in over **4 million square feet** of commercial properties across office, retail, multi-family, distribution centers, and manufacturing facilities since inception
- Large number of retailers seeking rent relief due to COVID-19
- Strong pipeline of new business opportunities as clients/retailers remain cautious of long-term real estate plans (store count, renewals, etc.)
- Continued rationalization of leased space is expected to continue as result of shift in retail and near-term uncertainty

Expertise

Assists companies, financial institutions, investors, family offices and individuals on real estate projects, including:

- Acquisitions & dispositions
- Construction disputes
- Valuation services
- Borrower & lender advisory
- Workouts & restructuring
- Liquidations & loan sales
- Investments & financing
- Fiduciary receivership
- Property management
- Stabilizations & turnarounds

Illustrative Engagements



JCPenney

MUJI
無印良品



THE VITAMIN SHOPPE

rubio's
COASTAL GRILL

ALDO
SHOES & ACCESSORIES

1. Figures shown are approximations and do not reflect actual number of properties, leases and square footage from February 2020 through September 2020.

Principal Investments

Principal Investments

- Strong cash-flow companies generating attractive returns
- High gross margins; predictable subscriber attrition
- Low overhead from successful execution of cost synergies

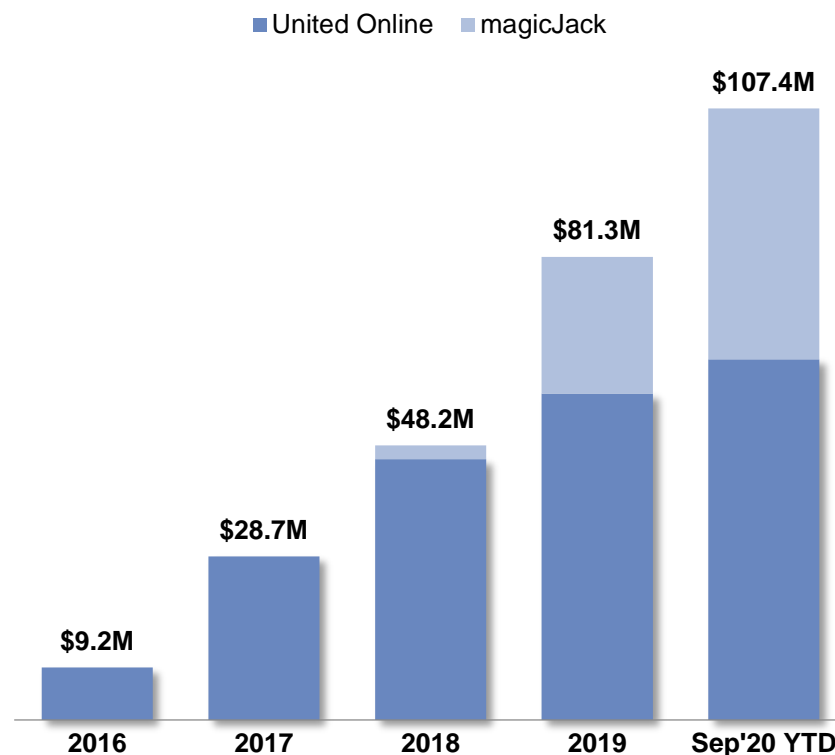
United Online (acquired July 2016)

- Internet access and online advertising provider
- Exceeded net initial investment since acquisition
- Generates steady income for B. Riley

magicJack (acquired November 2018)

- VoIP technology and services communications provider
- Offers operational synergies with United Online

Cumulative Segment Income ⁽¹⁾



1. Includes results from United Online, Inc. since Q3 2016, and results from magicJack VocalTec Ltd. since Q4 2018.

Brand Portfolio

Brands Portfolio

- Established brand investment portfolio in October 2019
- Brand portfolio offers recurring revenue and cash flow through licensing of brand trademarks
- Leverages retail and brand management partnerships
- Trends in traditional brick and mortar retail creates opportunity to acquire intellectual property and brand assets

Ownership Summary ⁽¹⁾

80%

Catherine Malandrino
English Laundry
Joan Vass

Kensie Girl
Limited Too
Nanette Lepore

43%

Hurley

32%

bebe

Brand Holdings

CATHERINE MALANDRINO

Nanette
NANETTE LEPORE

LIMITED * TOO

Hurley

English Laundry

bebe

kensie girl

Brookstone

joan vass

1. Brand holdings as of 9/30/2020. Percentages represent approximate ownership stakes in these brands.



Financial Overview

Financial Highlights

Select Income Items

(000's)	<u>Q3 2020</u>
Total Revenue	\$226,253
Adjusted EBITDA ⁽¹⁾	94,133
Operating Adjusted EBITDA ⁽¹⁾⁽²⁾	67,222
Net income attributable to B. Riley Financial	48,379
Net income available to common shareholders	47,291
Adjusted net income attributable to B. Riley Financial ⁽³⁾	55,423
Diluted income per share	\$1.75
Adjusted diluted income per share ⁽³⁾	\$2.05

Select Balance Sheet Items

(000's)	<u>9/30/20</u>
Cash and cash equivalents	\$169,676
Due from clearing brokers	19,589
Securities and other investments owned, at fair value	459,480
Advances against customer contracts	900
Loans receivable, at fair value	344,339
Securities sold not yet purchased	48,125
Notes payable	714
Loan participations sold	13,919
Term loan	52,452
Senior notes payable	854,926

1. For a definition of Adjusted EBITDA and a reconciliation to GAAP financial measures, please see the Appendix.

2. Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses.

3. For a definition of Adjusted Net Income and a reconciliation to GAAP financial measures, please see the Appendix.

Financial Highlights (cont.)

Cash and Net Investments	
(000's)	<u>9/30/20</u>
Cash and cash equivalents	\$169,676
Restricted cash	1,410
Due from clearing brokers	19,589
Securities and Other Investments Owned, net ⁽¹⁾	411,355
Advances against customer contracts	900
Loans receivables, net of loan participations sold	330,420
Other equity investments and deposits ⁽²⁾	58,389
Total Cash, Net Securities and Investments, and Other	\$991,739

Debt	
(000's)	<u>9/30/20</u>
Notes payable	\$714
Term loan	52,452
Senior notes payable	854,926
Total Debt	\$908,092
Total Cash and Investments, Net of Debt ⁽³⁾	\$83,647

1. Includes \$459.5M in securities and other investments owned net of \$48.1M in securities sold not yet purchased.
2. Other equity investments reported in prepaid expenses and other assets.
3. Defined as total cash, net securities and investments, and other minus total debt.



Appendix

Historical Financial Results for B. Riley Financial

B. Riley Financial Segment Financial Results

(000's)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	FY 2019	9/30/20 LTM
Operating Revenues:							
Capital Markets ⁽¹⁾	\$93,828	\$137,480	\$126,264	\$111,364	\$115,058	\$379,395	\$490,166
Auction and Liquidation	11,286	(44,395)	20,661	8,251	44,185	22,516	28,702
Valuation and Appraisal	10,818	9,678	8,788	7,669	9,655	38,821	35,790
Principal Investments - UOL and MJ Brands	23,863	23,686	22,722	21,431	21,602	100,862	89,441
	-	4,055	3,801	3,206	4,000	4,055	15,062
Operating Revenues ⁽¹⁾	139,795	130,504	182,236	151,921	194,500	545,649	659,161
Investment Gain (Loss) ⁽²⁾	40,268	34,733	(182,442)	114,547	31,753	106,463	(1,409)
Total Revenues	180,063	165,237	(206)	266,468	226,253	652,112	657,752
Segment Operating Income:							
Capital Markets ⁽³⁾	17,272	54,719	46,505	31,062	37,900	84,968	170,186
Auction and Liquidation	5,953	(60,818)	4,289	2,020	12,000	(25,533)	(42,509)
Valuation and Appraisal	3,451	2,686	1,880	1,478	2,972	10,237	9,016
Principal Investments - UOL and MJ Brands	8,662	8,787	8,504	9,188	8,368	33,157	34,847
	-	2,667	(1,817)	(6,318)	2,292	2,667	(3,176)
Segment Operating Income ⁽³⁾	35,338	8,041	59,361	37,430	63,532	105,496	168,364
Investment Income (Loss) ⁽⁴⁾	35,130	33,875	(166,972)	101,507	26,911	94,282	(4,679)
Total Segment Income (Loss)	70,468	41,916	(107,611)	138,937	90,443	199,778	163,685

1. Operating Revenue is defined as the sum of revenues from (i) Service and Fees, (ii) Interest Income - Loans and Securities Lending and (iii) Sales of Goods.

2. Investment Gains (Loss) is defined as Trading Income (Losses) and Fair Value Adjustments on Loans.

3. Segment Operating Income is defined as Segment Income excluding (i) Trading Income (Losses) and Fair Value Adjustments on Loans and (ii) other investment related expenses.

4. Investment Income (Loss) is defined as Trading Income (Losses) and Fair Value Adjustments on Loans, less other investment related expenses.

Non-GAAP Financial Measures

B. Riley Financial Adjusted EBITDA Reconciliation

(000's)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	FY 2019	9/30/20 LTM
Net Income (Loss) Attributable to B. Riley Financial, Inc.	\$34,302	\$17,129	(\$98,665)	\$83,840	\$48,379	\$81,611	\$50,683
EBITDA Adjustments							
Provision (Benefit) for Income Taxes	14,409	7,842	(37,539)	32,208	18,711	34,644	21,222
Interest Expense	12,772	15,075	15,654	16,509	16,374	50,205	63,612
Interest Income	(361)	(248)	(246)	(224)	(67)	(1,577)	(785)
Share Based Payments	4,728	5,640	5,322	4,167	4,778	15,916	19,907
Depreciation and Amortization	4,473	4,831	4,956	4,923	4,886	19,048	19,596
Restructuring Costs	-	-	-	-	1,557	1,699	1,557
Impairment of Tradenames	-	-	4,000	8,500	-	-	12,500
Transactions Related Costs and Other	7	-	10,454	(1,660)	(485)	6,339	8,309
Total Adjustments	36,028	33,140	2,601	64,423	45,754	126,274	145,918
Adjusted EBITDA	\$70,330	\$50,269	(\$96,064)	\$148,263	\$94,133	\$207,885	\$196,601
Operating EBITDA Adjustments:							
Trading (Income) Losses and Fair Value Adjustments on Loans	(40,268)	(34,733)	182,442	(114,547)	(31,753)	(106,463)	1,409
Other Investment Related Expenses	5,138	858	(15,470)	13,040	4,842	12,181	3,270
Total Operating EBITDA Adjustments	(35,130)	(33,875)	166,972	(101,507)	(26,911)	(94,282)	4,679
Operating Adjusted EBITDA	\$35,200	\$16,394	\$70,908	\$46,756	\$67,222	\$113,603	\$201,280

Non-GAAP Financial Measures

B. Riley Financial Adjusted Net Income Reconciliation

(000's)	Q3 2019	Q4 2019	Q1 2020	Q2 2020	Q3 2020	FY 2019	9/30/20 LTM
Net Income (Loss) Attributable to B. Riley Financial, Inc.	\$34,302	\$17,129	(\$98,665)	\$83,840	\$48,379	\$81,611	\$50,683
Share Based Compensation	4,728	5,640	5,322	4,167	4,778	15,916	19,907
Amortization of Intangible Assets	3,310	3,815	4,024	4,024	3,919	13,846	15,782
Restructuring Costs	-	-	-	-	1,557	1,699	1,557
Impairment of Tradenames	-	-	4,000	8,500	-	-	12,500
Transactions Related Costs and Other	7	-	10,454	(1,660)	(485)	6,339	8,309
Income Tax Effect of Adjusting Entries	(2,380)	(2,969)	(6,559)	(4,172)	(2,725)	(11,154)	(16,425)
Total Adjustments	5,665	6,486	17,241	10,859	7,044	26,646	41,630
Adjusted Net Income	\$39,967	\$23,615	(\$81,424)	\$94,699	\$55,423	\$108,257	\$92,313



For more information, please visit
www.brileyfin.com