



B. Riley Financial Announces Offering of \$50 Million Senior Notes Due 2023 and Receipt of Investment Grade Rating of "A-" from Egan-Jones Ratings Company

May 14, 2018

LOS ANGELES, May 14, 2018 (GLOBE NEWSWIRE) -- B. Riley Financial, Inc. (NASDAQ:RILY) (the "Company") today announced that it has commenced an underwritten registered public offering of \$50 million aggregate principal amount of 5-year senior notes (the "Firm Notes"), subject to market and certain other conditions. The Company expects to grant the underwriters a 30-day option to purchase additional senior notes in connection with the offering solely to cover over-allotments (the "Additional Notes" and together with the Firm Notes, the "Notes"). B. Riley FBR, Inc., Ladenburg Thalmann & Co. Inc., and Incapital LLC are acting as book-running managers for this offering, and Boening & Scattergood, Inc., Wedbush Securities Inc. and William Blair & Company, L.L.C. are acting as co-managers for this offering. The Company and the Notes each received an investment grade rating of "A-" from Egan-Jones Ratings Company, an independent, unaffiliated rating agency.

As previously announced, the Company has entered into a merger agreement to acquire magicJack VocalTec Ltd., an Israeli corporation ("magicJack"). If the Company consummates the acquisition of magicJack, the Company intends to use a portion of the net proceeds from this offering to fund a portion of such acquisition. The Company expects to use the remaining net proceeds of this offering, if any, for general corporate purposes.

The Notes will be offered under the Company's shelf registration statement on Form S-3, which was declared effective by the Securities and Exchange Commission. The offering of these Notes will be made only by means of a prospectus supplement and accompanying base prospectus, which will be filed with the Securities and Exchange Commission. Copies of the prospectus supplement and the accompanying base prospectus may be obtained when available without charge from the offices of B. Riley FBR, Inc., at 1300 North 17th Street, Suite 1400, Arlington, VA 22209 or by calling (703) 312-9580 or by emailing prospectuses@brileyfbr.com. A copy of the prospectus supplement and accompanying base prospectus may also be obtained without charge by visiting the SEC website at www.sec.gov. This announcement shall not constitute an offer to sell or the solicitation of an offer to buy the Notes, nor shall there be any sale of the Notes in any jurisdiction in which such offer, solicitation or sale would not be permitted.

About B. Riley Financial, Inc.

[B. Riley Financial, Inc.](#) (NASDAQ:RILY), through its subsidiaries, provides collaborative financial services and solutions to the capital raising and financial advisory needs of public and private companies and high net worth individuals. The company operates through several wholly-owned subsidiaries, including [B. Riley FBR, Inc.](#), [Wunderlich Securities, Inc.](#), [Great American Group, LLC](#),

[B. Riley Capital Management, LLC](#) (which includes [B. Riley Asset Management](#), [B. Riley Wealth Management](#), and [Great American Capital Partners, LLC](#)) and [B. Riley Principal Investments](#), a group that makes proprietary investments in other businesses, such as the acquisition of [United Online, Inc.](#)

Forward-Looking Statements

This press release contains 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. Such statements include, without limitation, statements regarding our expectations, hopes or intentions regarding the future. These forward looking statements can often be identified by their use of words such as “will”, “predict”, “continue”, “forecast”, “expect”, “believe”, “anticipate”, “outlook”, “could”, “target”, “project”, “intend”, “plan”, “seek”, “estimate”, “should”, “may” and “assume”, as well as variations of such words and similar expressions referring to the future, and may include (without limitation) statements regarding the terms and conditions and timing of the senior notes offering, the consummation of the magicJack acquisition and the intended use of proceeds. Forward-looking statements involve certain risks and uncertainties, and actual results may differ materially from those discussed in each such statement. Factors that could cause actual results to differ include (without limitation) the possibility that the notes offering will not be consummated at the expected time, on the expected terms, or at all; and the Company's financial performance. Additional factors are discussed under the heading “Risk Factors” in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2017 and in the Company's other current and periodic reports filed from time to time with the Securities and Exchange Commission. All forward-looking statements in this document are made based on information available to the Company as of the date hereof, and the Company assumes no obligation to update any forward-looking statement.

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