



B. Riley Financial Adds GlassRatner to Diverse Platform, Expands Business and Financial Advisory Consulting Services

August 1, 2018

GlassRatner Strengthens B. Riley Platform with Complementary Expertise; Adds Market Presence

LOS ANGELES, Aug. 01, 2018 (GLOBE NEWSWIRE) -- B. Riley Financial, Inc. (NASDAQ: RILY) ("B. Riley"), a diversified provider of financial and business advisory services, and GlassRatner Advisory & Capital Group LLC ("GlassRatner"), today announced they have signed a definitive agreement pursuant to which GlassRatner becomes a wholly-owned subsidiary of B. Riley Financial effective July 31, 2018. Under terms of the agreement, GlassRatner will continue to be managed by Ian Ratner, one of the firm's founders, and operate under the same brand name. The addition of GlassRatner serves as a new, dedicated business consulting services vertical under B. Riley Financial.

GlassRatner is a specialty financial advisory services firm which advises companies, shareholders, creditors and investors on complex business problems and critical Board level agenda items including transaction advisory and due diligence, fraud investigations, corporate litigation, business valuations, crisis management and bankruptcy. The addition of GlassRatner strengthens B. Riley's diverse platform with new services and complementary capabilities which enhance the firm's ability to provide clients with end-to-end services at any stage during the business life cycle. The firm is nationally recognized for its expertise in bankruptcy and restructuring services, forensic accounting and litigation support, valuation services, and real estate consulting.

"As we look to grow B. Riley Financial, we are strategically looking for businesses that allow us to enhance the services we provide to our clients," said Bryant Riley, Chairman and Co-Chief Executive Officer of B. Riley. "GlassRatner's specialized expertise and skillset is a complementary fit for our diverse mix of services and strengthens our ability to provide clients with a more holistic, strategy through execution approach to their most critical needs. Together, B. Riley FBR and GlassRatner offer a wider depth and breadth of restructuring capabilities, which is just one example where clients can directly benefit from our cross-platform resources. We're excited about the potential opportunities the combination of B. Riley and GlassRatner creates and look forward to working with this highly-skilled team to maximize the value we can deliver to clients and investors."

"GlassRatner has always been dedicated to providing a comprehensive suite of advisory solutions to help our clients navigate through a variety of business problems. This merger further strengthens our ability to provide a level of service our clients have come to expect," said Ron Glass, Principal at GlassRatner. "By joining B. Riley Financial, we now have access to a robust platform comprised of extensive resources and expertise that we can leverage to not only enhance, but also build upon our current service offerings."

"This is an exciting new chapter for GlassRatner. We have a unique opportunity to collaborate with our B. Riley affiliates and generate new business opportunities where the combination of resources

better positions us to provide well-rounded solutions to clients through services all under the same roof. I simply could not be more excited for our team and I look forward to see what the future holds," added Ian Ratner, Principal at GlassRatner.

GlassRatner's Advisory Expertise Complements B. Riley Capabilities, Adds Market Presence

GlassRatner's areas of business consulting expertise serve as complementary offerings which enhance several client services offered under the B. Riley platform, including investment banking and institutional brokerage services through B. Riley FBR; appraisal, corporate advisory and valuations, liquidation and asset disposition solutions through Great American Group; and direct lending services through Great American Capital Partners. By leveraging cross-platform expertise and resources, B. Riley and its companies are uniquely positioned to provide full service, collaborative solutions to publicly-traded and private companies, financial sponsors and investors at every stage of the business life cycle. With approximately 100 professionals in 14 offices across the U.S. in Arizona, California, Florida, Georgia, Missouri, New York, Texas and Utah, GlassRatner provides B. Riley with additional market presence in addition to its depth and breadth of services offered.

Perry Mandarino, Co-Head of Investment Banking and Head of Restructuring at B. Riley FBR commented: "GlassRatner is a clear reflection of the strategic ensemble that has been built and housed under B. Riley Financial. B. Riley FBR and its clients have benefitted from the various resources that are encompassed by this firm, but have also contributed to our affiliates' successes who have leveraged our own expertise. GlassRatner brings a solid foundation that can help B. Riley Financial companies, like B. Riley FBR and Great American Group, better serve our clients, and allows us to help them better serve theirs. I'm excited to welcome them as a part of this unique platform."

In July 2018, B. Riley and GlassRatner were recognized during the 10th Annual Turnaround Atlas Awards presented by the Global M&A Network. Additionally, Perry Mandarino and Ian Ratner were listed among Global M&A Network's list of Top 100 Turnaround & Restructuring Professionals for 2018.

"This recognition for both firms, as well as for Perry and Ian, is reflective of the individual talent that manifests within these companies. It's an honor to have these individuals and groups recognized and I am excited to see what the combination of talent will bring across B. Riley," added Riley.

B. Riley won awards for Out-of-Court Restructuring of the Year, Community Revival Turnaround of the Year, and Cross Border Special Situation M&A Deal of the Year. GlassRatner won the awards for Valuation Service Provider of the Year and Refinancing Deal of the Year.

B. Riley FBR served as financial adviser and lead arranger on the deal. Cole Schotz P.C. served as legal counsel to B. Riley Financial. Arnall Golden Gregory LLP served as legal counsel to GlassRatner.

For more information, visit www.brileyfin.com and www.glassratner.com.

About GlassRatner

GlassRatner is a national specialty financial advisory services firm providing solutions to complex business problems and Board level agenda items. The firm applies a unique mix of skill sets and experience to address matters of the utmost importance to an enterprise such as managing through a business crisis or bankruptcy, pursuing a fraud investigation or corporate litigation, planning & executing a major acquisition or divestiture, unraveling a challenging real estate issue and other top level non-typical business challenges. The combination of proven operating and financial expertise,

a hands-on approach and an absolute focus on assignment execution makes GlassRatner a unique and valuable ally for its clients and partners.

About B. Riley Financial, Inc. (NASDAQ:RILY)

[B. Riley Financial](#) provides collaborative financial services and solutions tailored to fit 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](#), a full-service investment bank and institutional brokerage; [Great American Group](#), a leading provider of asset disposition, appraisal, corporate advisory and valuation services; [GlassRatner](#), a specialty financial advisory services and consulting firm; [B. Riley Wealth Management](#), [B. Riley Asset Management](#) and [B. Riley Alternatives](#), which offer investment management to institutional and high net worth investors; [Great American Capital Partners](#), which originates and underwrites senior secured loans for asset-rich companies; and [B. Riley Principal Investments](#), which invests in or acquires companies and assets with attractive return profiles.

Forward-Looking Statements

Statements in this press release that are not descriptions of historical facts are forward-looking statements that are based on management's current expectations and assumptions and are subject to risks and uncertainties. If such risks or uncertainties materialize or such assumptions prove incorrect, our business, operating results, financial condition and stock price could be materially negatively affected. In some cases, you can identify forward-looking statements by terminology including "anticipates," "believes," "can," "continue," "could," "estimates," "expects," "intends," "may," "plans," "potential," "predicts," "should," "will," "would" or the negative of these terms or other comparable terminology. You should not place undue reliance on such forward-looking statements, which are based on the information currently available to us and speak only as of the date of this press release. Such forward looking statements include, but are not limited to, the anticipated benefits of the acquisition of GlassRatner, the effects of our business model, the effects and anticipated benefits of our completed and pending acquisitions and related actions, 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. Risk 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: 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; potential mark-downs in inventory in connection with purchase transactions; failure to successfully compete in any of our segments; loss of key personnel; our ability to borrow under our credit facilities as necessary; failure to comply with the terms of our credit agreements; our ability to meet future capital requirements; our ability to realize the benefits of our completed and proposed acquisitions, including our ability to achieve anticipated opportunities and operating cost savings, and accretion to reported earnings estimated to result from completed and proposed acquisitions in the time frame expected by management or at all; our ability to promptly and effectively integrate our business with

that of GlassRatner; the effect of the GlassRatner acquisition on our and GlassRatner's customers, employees and counterparties; the possibility that our proposed acquisition of magicJack VocalTec Ltd. ("magicJack" or "MJ") does not close when expected or at all; our ability to promptly and effectively integrate our business with that of magicJack if such transaction closes; the reaction to the magicJack acquisition or our and magicJack's customers, employees and counterparties; the diversion of management time on acquisition-related issues; and those risks described from time to time in B. Riley Financial, Inc.'s 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, 2017 under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations." Additional information is also set forth in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2018. 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 press release is issued, and B. Riley Financial, Inc. undertakes no duty to update this information.

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