

B. Riley Financial Establishes Brand Investment Portfolio

Acquires majority ownership of Catherine Malandrino, English Laundry, Joan Vass, Kensie Girl, Limited Too and Nanette Lepore brands

Invests in Bluestar Alliance's announced acquisition of Hurley

LOS ANGELES, Oct. 30, 2019 /[PRNewswire](#)/ -- B. Riley Financial, Inc. (NASDAQ:RILY) ("B. Riley" or the "Company"), a diversified financial services company which operates through several wholly-owned subsidiaries, today announced it has established a brand investment portfolio which aligns with the Company's strategy of pursuing strong free cash flow investment opportunities to generate accretive recurring revenue for the B. Riley platform. Through an investment of \$116.5 million, the Company holds majority ownership of the assets and intellectual property related to licenses of six brands: Catherine Malandrino, English Laundry, Joan Vass, Kensie Girl, Limited Too and Nanette Lepore. The Company has also agreed to invest in Bluestar Alliance's recently announced acquisition of the Hurley brand, which is expected to close in December.

"The shifting retail landscape has created more opportunities to acquire licenses for established and up-and-coming brands at an attractive valuation. Our significant investment in these seven brands provides balance to our more volatile businesses, while also supporting our dividend strategy," said Bryant Riley, Chairman and Co-Chief Executive Officer of B. Riley Financial. "Through the formation of this brand investment portfolio, combined with our ongoing partnership with Bluestar Alliance and our existing ownership stake in bebe stores, we believe we have credibly established ourselves as a significant financing source and investment partner to brand management companies."

The Company intends to grow licensing revenue from the brand holdings in partnership with Bluestar Alliance by leveraging its extensive relationships and strategic partnerships in the retail sector. The Company intends to pursue future acquisitions of consumer brands, intellectual property, trademarks and licenses, and participate in select transactions as an equity owner.

For more information, visit ir.brileyfin.com.

About B. Riley Financial

B. Riley Financial provides collaborative financial services tailored to fit the capital raising and business advisory needs of public and private companies and high-net-worth individuals. B. Riley operates through several wholly-owned subsidiaries which offer complementary end-to-end capabilities spanning investment banking and institutional brokerage, private wealth and investment management, corporate advisory, restructuring, due diligence, forensic accounting and litigation support, appraisal and valuation, and auction and liquidation services. Certain registered affiliates of B. Riley originate and underwrite senior secured loans for asset-rich companies. The Company also makes proprietary investments in 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. 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. 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 include (without limitation) the possibility that the proposed Hurley transaction will not be consummated at the expected time, on the expected terms, or at all; and our expectations regarding the Company's business strategies and financial performance; and those risks described from time to time in B. Riley Financial's periodic filings with the SEC, including, without limitation, the risks described in B. Riley Financial's Annual Report on Form 10-K for the year ended December 31, 2018 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 June 30, 2019. 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 undertakes no duty to update this information.

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