



B | **RILEY**[®] *Financial*

Investor Overview

August 2023

Forward-looking Statements

Statements made in this presentation 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. Such forward-looking statements include, but are not limited to, statements regarding our excitement and the expected growth of our business segments. Factors that could cause such actual results to differ materially from those contemplated or implied by such forward-looking statements include, without limitation, the 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, 2022 and under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" (as applicable) and our Quarterly Reports on Form 10-Q for the quarters ended March 31, 2023 and June 30, 2023. 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 published, and B. Riley Financial undertakes no duty to update this information.

This presentation does not constitute an offer to sell or the solicitation of an offer to buy any securities. Any offers, solicitations or offers to buy, or any sales of securities will be made in accordance with the registration requirements of the Securities Act of 1933, as amended.

Use of Non-GAAP Financial Measures

Certain of the information set forth herein, including operating revenues, adjusted EBITDA, operating adjusted EBITDA, and investment adjusted EBITDA may be considered non-GAAP financial measures. B. Riley Financial believes this information is useful to investors because it provides a basis for measuring the Company's available capital resources, the operating performance of its business and its revenues and cash flow, (i) excluding in the case of operating revenues, trading income (loss) and fair value adjustments on loans, (ii) excluding in the case of adjusted EBITDA, net interest expense, provisions for or benefit from income taxes, depreciation, amortization, fair value adjustment, restructuring charge, gain on extinguishment of loans, impairment of trade names, stock-based compensation and transaction and other expenses, (iii) excluding in the case of operating adjusted EBITDA, aforementioned adjustments for adjusted EBITDA, as well as trading income (loss) and fair value adjustments on loans, realized and unrealized gains (losses) on investments, and other investment related expenses, and (iv) in the case of investment adjusted EBITDA this includes trading income (loss) and fair value adjustments on loans and realized and unrealized gains (losses) on investments, net of other investment related expenses, that would normally be included in the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles ("GAAP"). In addition, the Company's management uses these non-GAAP financial measures along with the most directly comparable GAAP financial measures in evaluating the Company's operating performance, capital resources and cash flow. Non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information presented in compliance with GAAP, and non-financial measures as reported by the Company may not be comparable to similarly titled amounts reported by other companies.



01

B. RILEY FINANCIAL AT A GLANCE

B. Riley Financial at a Glance

We are a diversified financial services platform with a portfolio of steady and synergistic businesses that operate in concert with episodic, high-return businesses.

Ticker: RILY
Founded: 1997
Nasdaq-listed: 2015
Headquarters: Los Angeles, CA
2,000+ affiliated personnel
200+ locations worldwide

<p>\$6.3B</p> <p>Total Assets as of June 2023</p>	<p>\$1.5B</p> <p>Total Revenues LTM June 2023</p>	<p>\$1.5B</p> <p>Operating Revenues⁽¹⁾ LTM June 2023</p>	<p>\$368.4M</p> <p>Operating Adj. EBITDA⁽²⁾⁽³⁾ LTM June 2023</p>
<p>233%</p> <p>5-Year Total Return⁽⁴⁾</p>	<p>\$24.36</p> <p><i>per common share</i></p> <p>Cumulative Dividends⁽⁵⁾ since 2014</p>	<p>8.0%</p> <p>Common Dividend Yield⁽⁵⁾</p>	<p>34%</p> <p>Insider Ownership</p>

Operating Revenues and Operating Adjusted EBITDA are non-GAAP financial metrics. Please see appendix for a reconciliation to GAAP financial measures, and accompanying end notes for defined terms and sources.

A high-angle, top-down view of three business professionals (two men and one woman) sitting around a conference table in an office. They are all wearing light blue or white business attire. The man on the left is gesturing with his hands while speaking. The woman in the center is looking at him and holding a pen. The woman on the right is also looking towards the center. The table is covered with various documents, including charts and graphs. A laptop is visible in the bottom left corner. The overall scene is professional and collaborative.

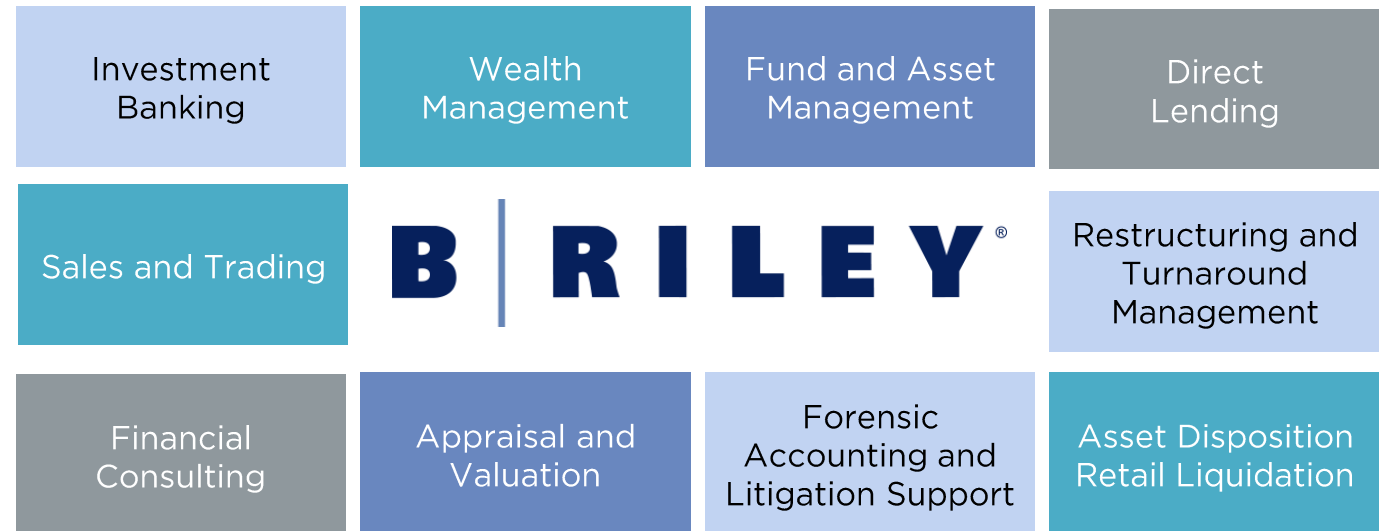
02

PLATFORM STRATEGY & PERFORMANCE

B. Riley Financial

With over 25 years of continued growth, B. Riley has developed a unique platform that offers diversified sources of revenue and cash flow, in addition to a full suite of end-to-end services to meet the strategic, operational, and capital needs of our clients and partners.

Complementary Financial Services



Diversified Cash Flow Sources



Diversification through Steady and Episodic Opportunities

Diversified Platform

STEADY

Appraisal & Valuation

Consulting

Asset Management

Wealth Management

Communications

Consumer Brands

EPISODIC

Investment Banking

Capital Markets

Retail Liquidation

COUNTER CYCLICAL

Bankruptcy Restructuring

Turnaround Management

Retail Liquidation

Cash Flow Utilization

Enhance our business

Support our clients

Make accretive acquisitions

Return capital to our shareholders

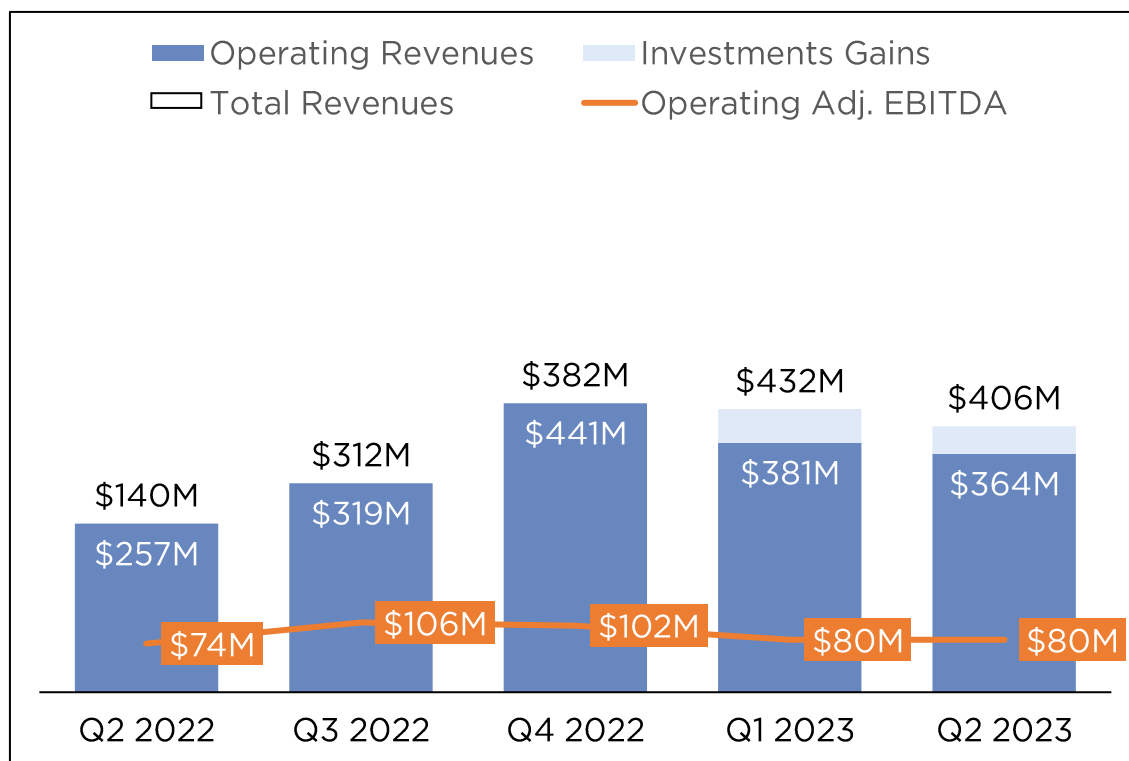
Historical Timeline and Acquisitions



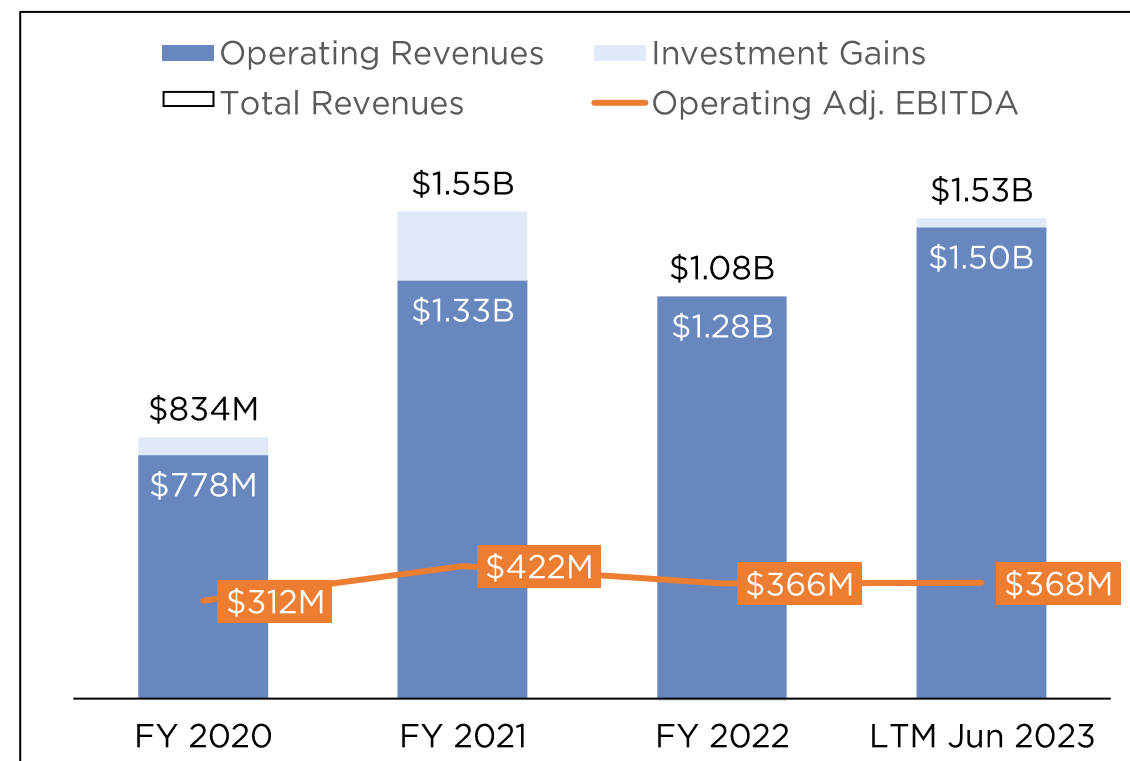
- Banking, Capital Markets
- Asset, Wealth Management
- Advisory, Consulting
- Consumer, Communications

Financial Summary – Operating Results (as of Jun 2023)

Quarter

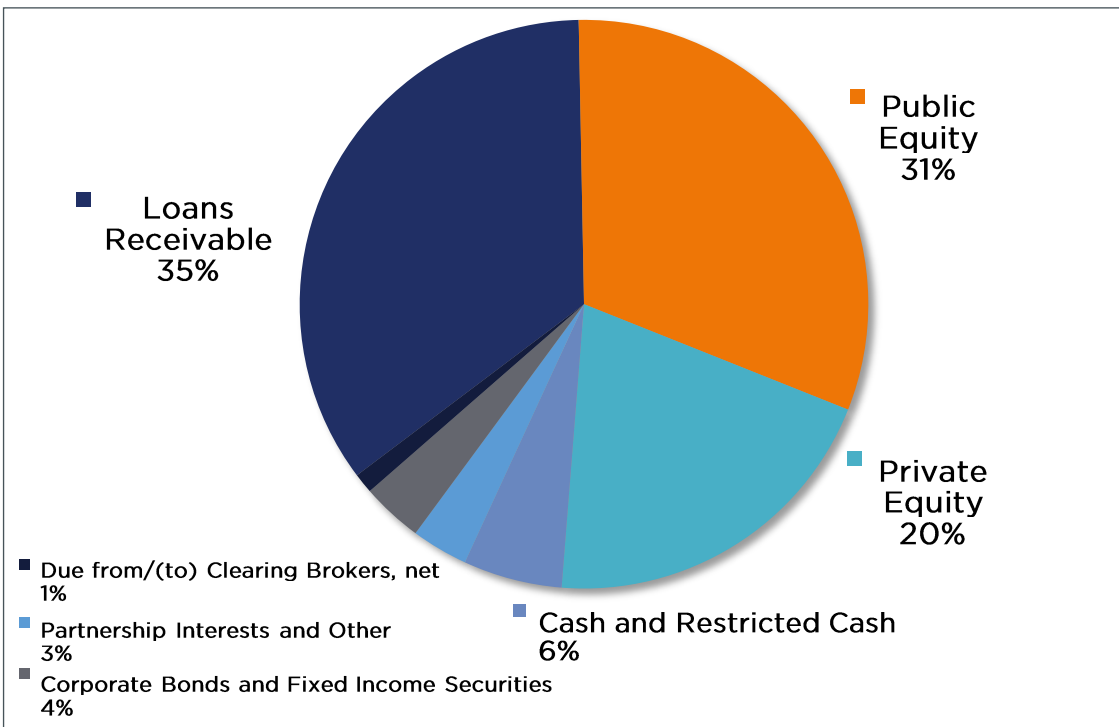


Annual



Composition of Cash and Investments (as of Jun 2023)

Composition of Cash and Investments By Asset Type



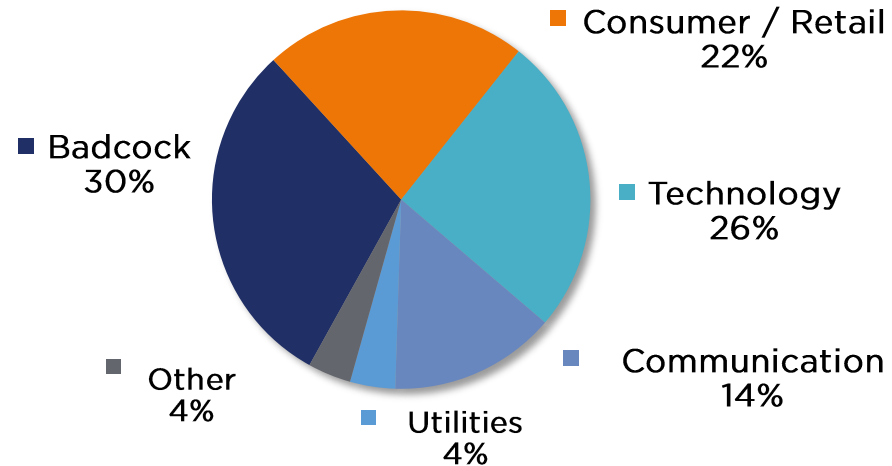
Percentage by Asset Type

(Dollars in thousands)	Gross Value	% of Total
Cash and Restricted Cash	\$ 109,902	5.6%
Due from/(to) Clearing Brokers, net	22,289	1.1%
Public Equity ⁽¹⁾⁽²⁾	612,791	31.4%
Private Equity ⁽¹⁾	395,092	20.2%
Loans Receivable	683,827	35.0%
Corporate Bonds and Fixed Income Securities	68,070	3.5%
Partnership Interests and Other ⁽¹⁾	62,958	3.2%
Total	\$ 1,954,929	100%

(1) Includes investments reported in prepaid and other assets. (2) Includes \$62 million equity positions held by B. Riley in managed account with gains and losses for client benefit

Loans Receivable Overview (as of Jun 2023)

Loans Receivable By Sector



Summary Statistics of Other Loans Receivable ⁽¹⁾

(Dollars in thousands)

	June 30, 2023
Total Fair Value	\$ 477,631
Total Principal	\$ 496,494
Number of Companies	14
Number of Loans	25
Average Principal per Name	\$ 35,464
Average Fair Value per Name	\$ 34,117
Interest Rate Range	7% - 18%
Average Duration	0.9 years

Loans Receivable Balance Roll Forward - June 30, 2023

(Unaudited, dollars in thousands)	March 31, 2023	Gross Loan Funding	Sales, Repayments, and Conversions	Fair Value Adjustments	Capitalized Interest and Other	June 30, 2023
Badcock Receivables, at Fair Value	\$ 324,328	\$ —	\$ (117,390)	\$ (742)	\$ —	\$ 206,196
Other Loans Receivable, at Fair Value	447,757	42,043	(27,026)	9,949	4,908	477,631
Total Loans Receivable, at Fair Value	\$ 772,085	\$ 42,043	\$ (144,416)	\$ 9,207	\$ 4,908	\$ 683,827

Total Loans Receivable, at Fair Value

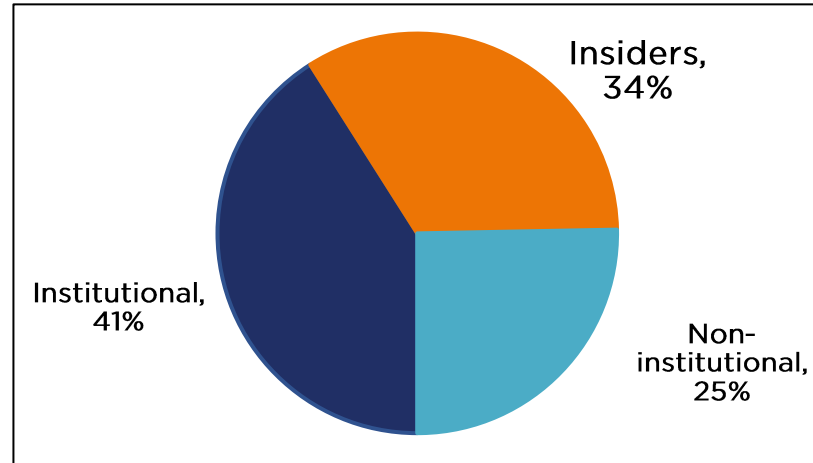
\$684 million

(1) Excludes Badcock receivables.

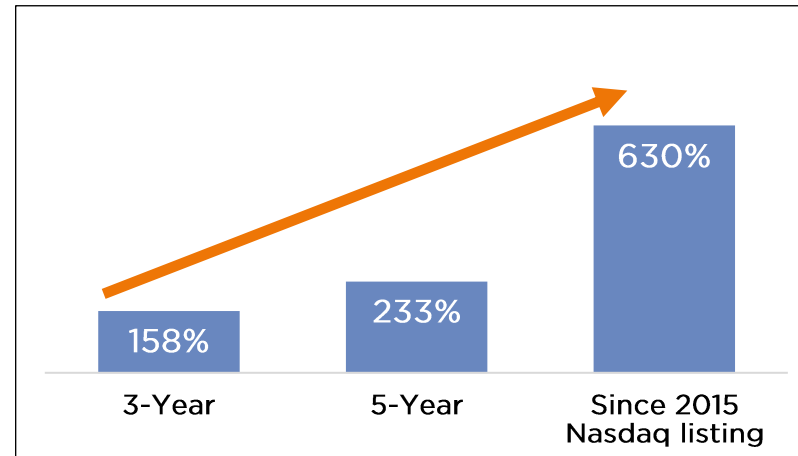
Strong Shareholder Alignment

RILY has generated over 600% in total returns for shareholders since July 2015

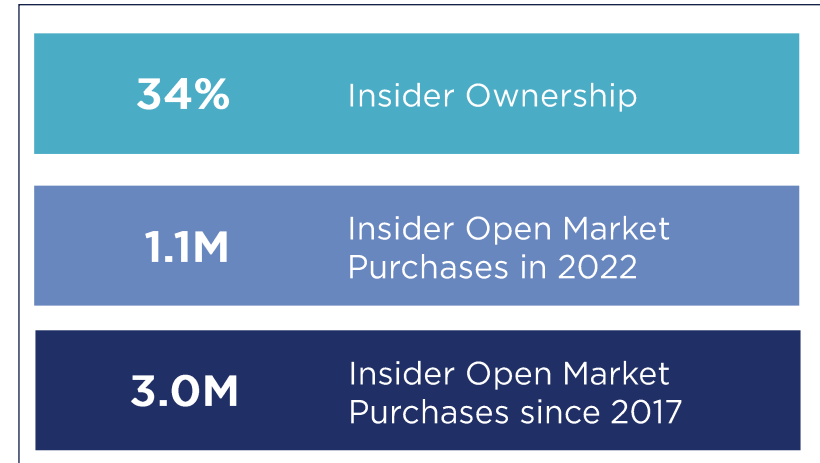
Ownership Summary



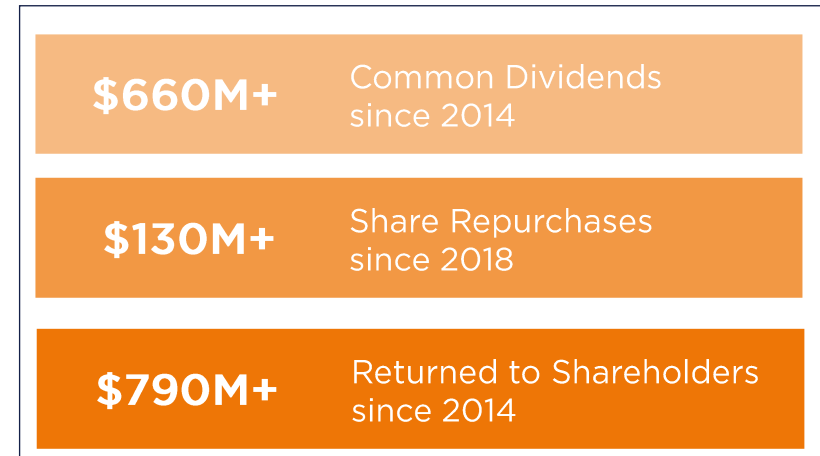
Total Shareholder Return



Significant Insider Ownership



Dividends and Share Repurchases





03

OVERVIEW OF OPERATING UNITS

Over
1,500
Appraisals
Completed/year

Over
1,000
Institutional Client
Relationships

Over
2,500
Retail Store
Closures since 2020

B | RILEY

Over
400
Companies Covered
by Equity Research

Over
400
Financial Advisors
and Registered Reps

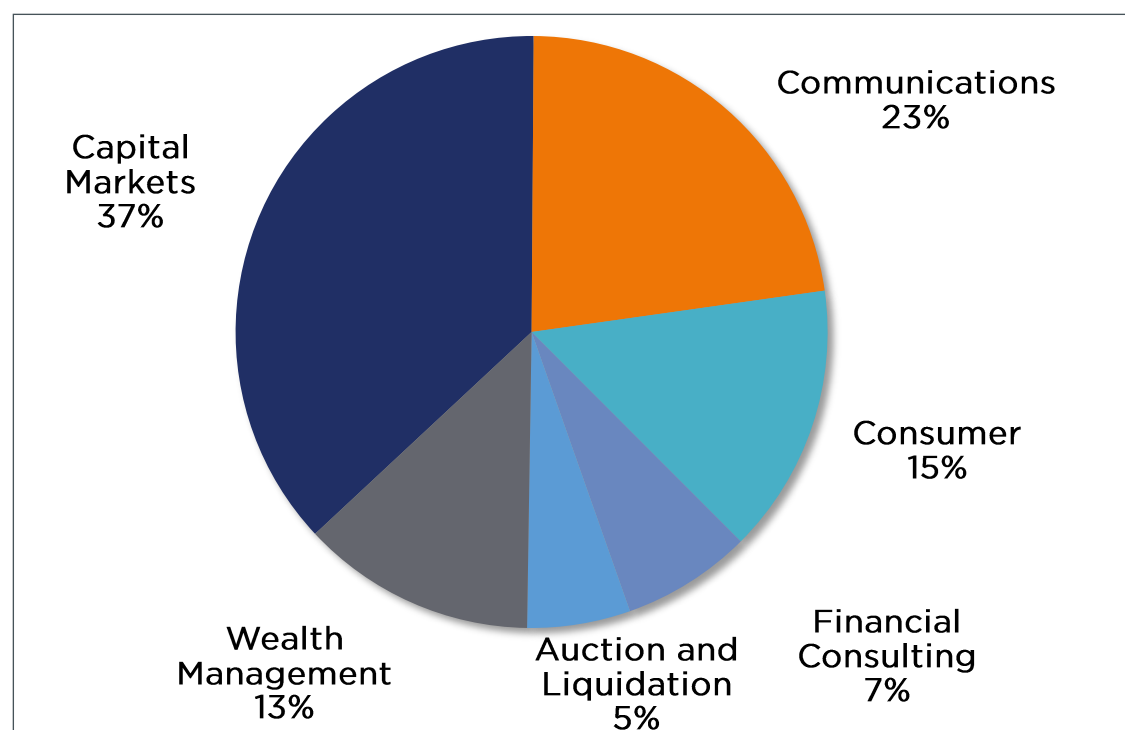
500
Average Advisory
Matters/year

Figures noted are approximations based upon the latest available data.

Business Mix by Segment (as of June 2023)

Segment Mix - Operating Revenues

LTM June 2023



Segment Operating Revenues

LTM June 2023

	Twelve Months Ended June 30, 2023	%
<i>(Dollars in thousands)</i>		
Capital Markets	\$ 545,790	37%
Wealth Management	188,702	13%
Auction and Liquidation	83,038	5%
Financial Consulting	104,484	7%
Communications	333,643	23%
Consumer	217,145	15%
Operating Revenues	\$ 1,472,802	100%

Leading Middle-Market Capital Markets Platform

Equity Capital Markets | Debt Capital Markets

B | RILEY *Securities*

By the Numbers
Trailing Three Years

Led 70+
IPOs and follow-ons,
raising ~\$6.8B ⁽¹⁾

#2
Sales agent in
at-the-market offerings ⁽³⁾

#1
Small-cap bookrunner
outside “bulge brackets” ⁽²⁾

Led 35+
Unsecured notes and preferred equity
offerings, raising ~\$3.2B

Investment Banking

We help clients seize opportunities and solve complex capital structure challenges

B | RILEY *Securities*

Capital Markets

Equity Capital Markets
Debt Capital Markets

Mergers & Acquisitions

Sell-Side Representation
Buy-Side Representation

Restructuring

Financial & Debt Advisory
Distressed M&A

Institutional Brokerage & Equity Research

B | RILEY *Securities*

World Class Institutional Distribution

400+ companies under
equity research coverage

1,000+
institutional investors covered

Market maker in
1,400+ equity securities



May 24-25
2023

the
BEVERLY HILTON
BEVERLY HILLS, CA

23RD ANNUAL
INSTITUTIONAL INVESTOR
CONFERENCE

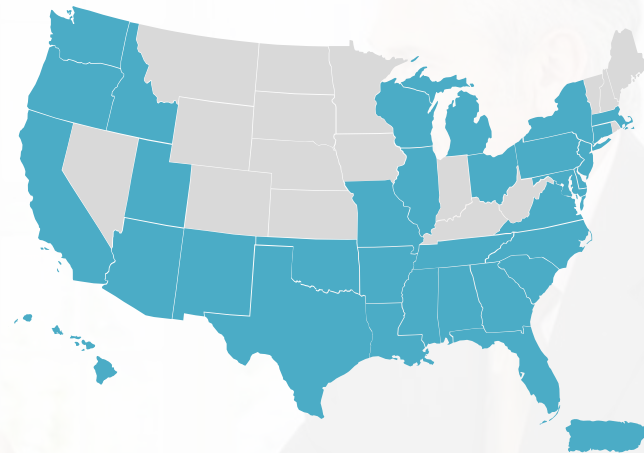
Our annual flagship conference, industry-specific conferences, and non-deal roadshows bring together hundreds of **differentiated institutional investors** and small-cap companies in events **throughout the country**

Wealth Management

Enhanced Distribution through Dedicated Wealth Management Channel

B | RILEY *Wealth*

Provides comprehensive financial planning, investment advisory, portfolio management, and tax preparation services to individuals, corporations and non-profits.



400+

Financial Advisors
and Registered Reps

\$24B+

Client Assets
under Management

Financial Consulting: Specialty Advisory

Provides Specialty Financial Advisory Services to Solve Complex Business Problems

B | RILEY *Advisory Services*

Restructuring & Turnaround Management

- Financial & Operational Restructuring
- Financial Advisory, Fiduciary Services
- Receivership, Liquidating Agent
- Turnaround & Interim Management

Forensic & Litigation Support

- Complex Litigation, Contract Disputes
- Data Analytics
- Expert Witness Testimony
- Fraud & Forensic Investigations
- Lost Profits & Financial Damages

Representative Awards and Accolades

“Best Of 2023” Ranking

National Law Journal

#1 End-to-End Litigation Consulting Firm

#1 Forensic Accounting

#1 IP Litigation Consulting

#1 Litigation Dispute Advisory

“Best of 2022” Ranking

The Daily Report (Law.com)

#1 Litigation Valuation

#2 Forensic Accounting Firm

#2 Overall Expert Witness

2023 Most Innovative

ABF Journal Most Innovative Companies in Specialty Finance: Transformative Category

2023 Turnaround Awards

The M&A Advisor

Sec. 363 Sale of the Year (\$50M - \$100M)

2022 Turnaround Awards

The M&A Advisor

Distressed M&A Deal of the Year (\$25M - \$50M)

Financial Consulting: Valuation and Appraisal

Large Appraisal Practice Specializing in ABL Valuation, Dedicated Sector Expertise

B | RILEY *Advisory Services*

Dedicated Valuation Experts Across Numerous Industries and Disciplines

- Inventory (Retail, Wholesale, Industrial)
- Machinery & Equipment
- Intangible Assets, Intellectual Property
- Field Examinations
- Real Estate
- Fixed Assets
- Financial Securities
- Tax, Compliance & Reporting

1,500+

Valuation assignments
completed/year

1,000+

Unique companies
appraised/year

110M+

Square feet inspected
in 2022

Leading Operator of Large-Scale Retail Liquidations

Over **2,500**
Store closures
conducted since 2020

Over **\$4B**
Total value of assets
liquidated since 2020

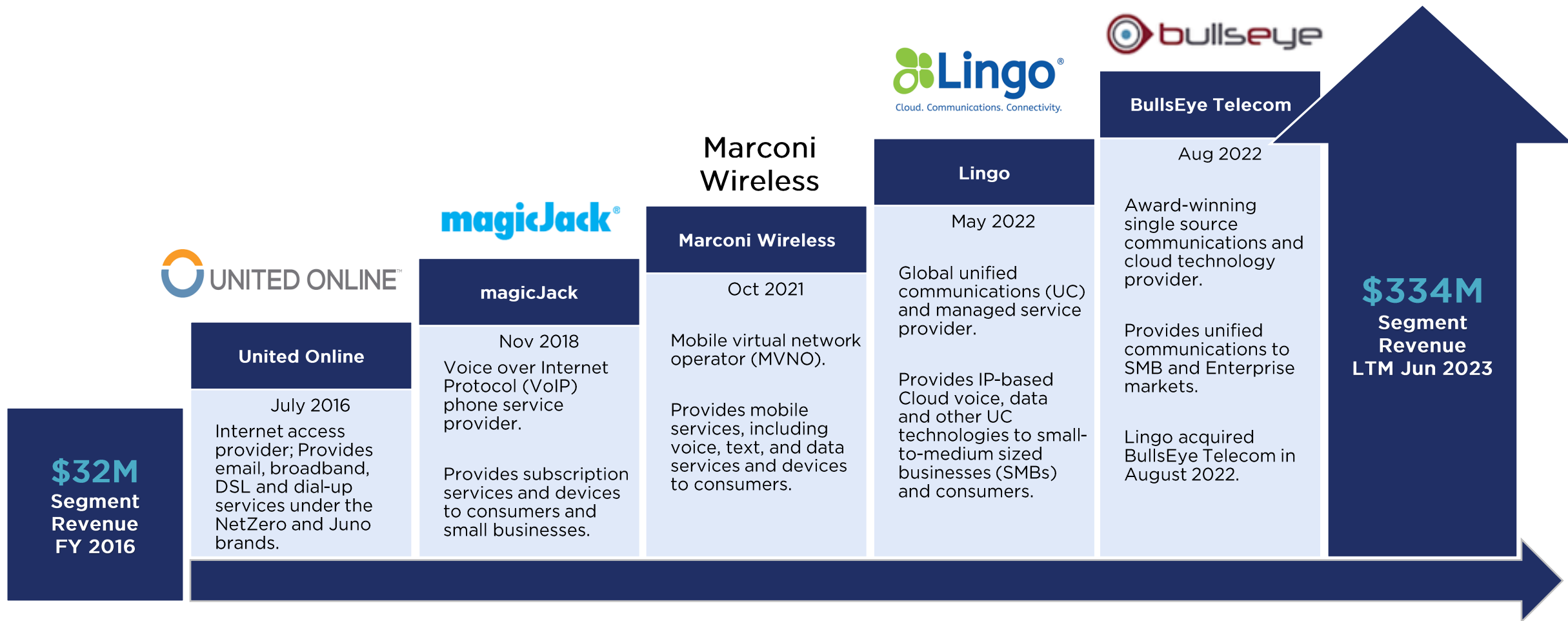
Over **\$45B**
Retail inventory
liquidated since inception

Representative Client Engagements



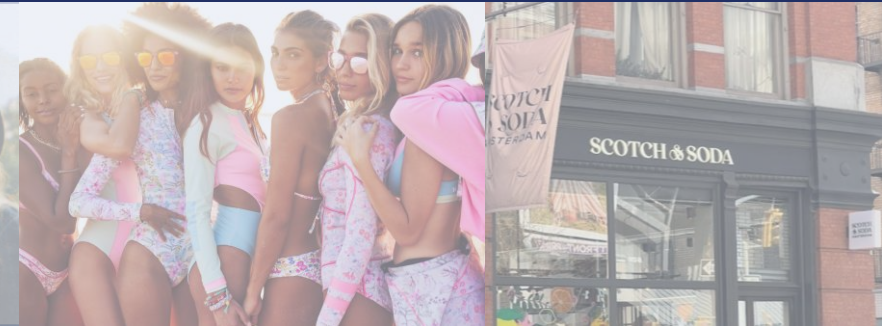
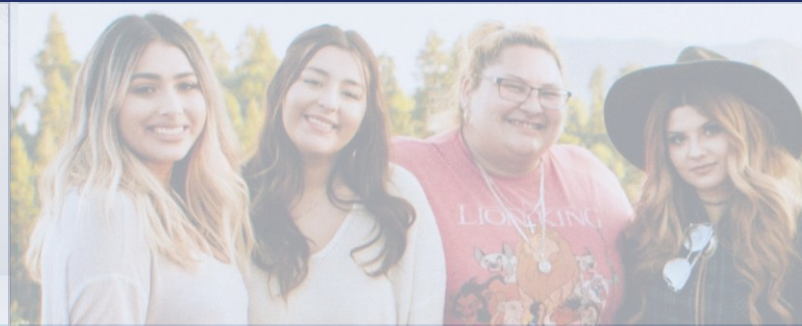
Communications Portfolio

Operationally Focused Control Investments Offer Free Cash Flow



Consumer Brand Investments

Diverse Portfolio of Consumer Brands



- Acquired Targus in October 2022
- Leading brand share in key product categories in the U.S. and abroad
- Serves Fortune 1000 companies with global footprint in 100 countries

- Established Brands Portfolio in Q4 2019
- Offers diversified revenue and cash flow through licensing of Six Brands
- Leverages retail expertise and brand management partnerships

- Additional consumer brands acquired between 2018 and 2023
- Generate additional income from these brand investments
- Recognized outside of Consumer Segment in Other Income



100%
ownership



80%
ownership

bebe
48% ownership

Justice
41% ownership

Hurley
43% ownership

SCOTCH & SODA
10% ownership

*Targus is a registered trademark of Targus International LLC in the U.S. and in certain other countries. Please see accompanying end notes for sources.

B. Riley Financial – Diversified Platform Strategy

Expanded base of
stable and recurring
income sources

Best-in-class,
differentiated financial
services platform

Disciplined capital
allocation

B | **RILEY**[®] *Financial*

Maintain and grow dividend

Deliver shareholder value



04

APPENDIX

Balance Sheet Summary and Key Metrics

Balance Sheet Summary as of June 30, 2023 ⁽¹⁾		Financial Highlights (LTM June 30, 2023) ⁽⁶⁾			
Cash & Cash Equivalents	\$107.6M	Total Revenues	\$1,532.6M	Total Adj. EBITDA ⁽¹¹⁾	\$362.1M
Securities and Other Investments Owned, Net ⁽²⁾	\$1,069.7M	Operating Revenues ⁽⁷⁾	\$1,504.2M	Operating Adj. EBITDA ⁽⁹⁾⁽¹¹⁾	\$368.4M
Loans Receivable, at Fair Value	\$683.8M	Investment Gains ⁽⁸⁾	\$28.3M	Investment Adj. EBITDA ⁽¹⁰⁾⁽¹¹⁾	\$(6.3M)
Other Investment Assets ⁽³⁾	\$59.9M				
Total Cash, Net Securities and Investments, and Other ⁽²⁾⁽³⁾	\$1,921.0M	Capitalization Structure		Common Stock	
Revolving Credit Facility and Term Loans, Net	\$640.1M	Market Cap ⁽¹²⁾	\$1,416.9M	Shares Outstanding ⁽¹⁾	28.5M
Senior Notes and Other Notes Payable	\$1,687.3M	Preferred Shares – FMV ⁽¹³⁾	\$100.3M	Public Float, est.	66.2%
Total Debt ⁽⁴⁾	\$2,327.4M	Total Debt, Net of Cash and Investments ⁽⁵⁾	\$406.4M	Insider Holdings ⁽¹⁾	33.8%
Total Debt, Net of Cash and Investments ⁽⁵⁾	\$406.4M	Enterprise Value ⁽¹⁴⁾	\$1,923.6M		

Operating Revenues, Investment Loss, Adjusted EBITDA, Operating Adjusted EBITDA, Investment Adjusted EBITDA, and Cash and Investments are non-GAAP financial metrics. Please see following tables for a reconciliation to GAAP measures, and accompanying end notes for defined terms and sources.

Cash and Investments Summary

<i>(Dollars in thousands)</i>	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023
Cash and Cash Equivalents	\$ 216,098	\$ 231,805	\$ 268,618	\$ 209,971	\$ 107,581
Restricted Cash	928	1,578	2,308	2,351	2,321
Due from/(to) Clearing Brokers, net	25,902	49,530	29,430	13,112	22,289
Advances Against Customer Contracts	200	200	200	200	200
Securities and Other Investments Owned					
Equity Securities	1,055,379	1,140,728	1,046,710	929,582	963,817
Corporate Bonds	8,231	6,761	8,539	65,470	62,977
Other Fixed Income Securities	2,321	8,649	3,956	5,248	5,093
Partnership Interests and Other	78,965	82,475	70,063	48,930	40,557
Securities Sold Not Yet Purchased	(5,403)	(17,751)	(5,897)	(7,806)	(2,686)
Loans Receivable, net of Loan Participations Sold	770,840	814,715	701,652	772,085	683,827
Other investments and deposits ⁽¹⁾	49,156	45,947	53,844	72,905	66,268
Noncontrolling interest ⁽²⁾	(25,317)	(32,038)	(31,349)	(29,785)	(31,199)
Total Cash, Net Securities, and Other	\$ 2,177,300	\$ 2,332,599	\$ 2,148,074	\$ 2,082,263	\$ 1,921,045

Debt Summary

<i>(Dollars in thousands)</i>	Jun 30, 2022	Sep 30, 2022	Dec 31, 2022	Mar 31, 2023	Jun 30, 2023
Term Loans, net	\$ 367,815	\$ 558,035	\$ 572,079	\$ 626,613	\$ 529,242
Revolving Credit Facility	80,000	74,700	127,678	139,463	110,875
Notes Payable	23,186	25,075	25,263	19,882	21,298
Senior Notes Payable, net	1,644,778	1,661,191	1,721,751	1,722,977	1,666,009
Total Debt	2,115,779	2,319,001	2,446,771	2,508,935	2,327,424
Total Cash and Investments, Net of Debt	\$ 61,521	\$ 13,598	\$ (298,697)	\$ (426,672)	\$ (406,379)

(1) Other investments and investment related deposits reported in prepaid and other assets.

(2) Noncontrolling interest related to investments reported in Securities and Other Investments Owned.

Income Statement

(Dollars in thousands except for share data)

Revenues:

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	FY Dec 31, 2020	FY Dec 31, 2021	FY Dec 31, 2022	LTM Jun 30, 2023
Services and Fees	\$ 191,662	\$ 257,310	\$ 243,837	\$ 235,559	\$ 230,327	\$ 645,906	\$ 1,153,225	\$ 895,623	\$ 967,033
Trading Income (Loss) and Fair Value Adjustments on Loans	(117,763)	(6,917)	(58,670)	51,568	42,365	56,677	220,545	(202,628)	28,346
Interest Income - Loans and Securities Lending	63,835	57,594	62,545	77,186	75,199	102,499	122,723	245,400	272,524
Sale of Goods	1,887	4,130	134,380	67,777	58,387	29,135	58,205	142,275	264,674
Total Revenues	139,621	312,117	382,092	432,090	406,278	834,217	1,554,698	1,080,670	1,532,577

Operating Expenses:

Direct Cost of Services	17,785	44,523	68,496	54,397	55,941	60,451	54,390	142,455	223,357
Cost of Goods Sold	1,994	3,089	71,313	47,626	40,317	12,460	26,953	78,647	162,345
Selling, General and Administrative Expenses	167,136	163,727	208,552	212,627	188,885	428,537	906,196	714,614	773,791
Restructuring Charge	-	8,016	995	93	628	1,557	-	9,011	9,732
Impairment of Tradenames	-	-	-	-	1,733	12,500	-	-	1,733
Interest Expense - Securities Lending and Loan Participations Sold	14,544	17,447	22,738	32,424	35,780	42,451	52,631	66,495	108,389
Total Operating Expenses	201,459	236,802	372,094	347,167	323,284	557,956	1,040,170	1,011,222	1,279,347

Operating Income (Loss)

	(61,838)	75,315	9,998	84,923	82,994	276,261	514,528	69,448	253,230
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Other Income (Expense):

Interest Income	500	686	1,482	2,574	701	564	229	2,735	5,443
Dividend income	9,243	9,175	9,595	13,204	9,555	21,163	19,732	35,874	41,529
Realized and unrealized gains (losses) on investments	(106,164)	19,071	(64,874)	(28,442)	18,843	47,341	166,131	(201,079)	(55,402)
Change in Fair Value of Financial Instruments and Other	4,321	(574)	460	(209)	381	-	3,796	10,188	58
(Loss) Income from Equity Method Investments	(3,399)	(91)	285	(10)	143	(623)	2,801	3,570	327
Interest Expense	(31,764)	(34,587)	(44,399)	(47,561)	(47,332)	(65,249)	(92,455)	(141,186)	(173,879)
Income before Income Taxes	(189,101)	68,995	(87,453)	24,479	65,285	279,457	614,762	(220,450)	71,306

(Provision for) Benefit from Income Taxes

	52,513	(16,350)	23,998	(7,919)	(21,504)	(75,440)	(163,960)	63,856	(21,775)
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Net Income (Loss)

	(136,588)	52,645	(63,455)	16,560	43,781	204,017	450,802	(156,594)	49,531
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Net (Loss) Income Attributable to Noncontrolling Interests and redeemable noncontrolling interests

	3,571	4,808	(6,010)	(595)	(2,600)	(1,131)	5,748	3,235	(4,397)
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Net Income (Loss) Attributable to B. Riley Financial, Inc.

	(140,159)	47,837	(57,445)	17,155	46,381	205,148	445,054	(159,829)	53,928
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Preferred Stock Dividends

	2,002	2,002	2,002	2,012	2,015	4,710	7,457	8,008	8,031
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Net Income (Loss) Available to Common Shareholders

	\$ (142,161)	\$ 45,835	\$ (59,447)	\$ 15,143	\$ 44,366	\$200,438	\$ 437,597	\$(167,837)	\$ 45,897
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Segment Operating Revenues and Segment Operating Income

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	FY Dec 31, 2020	FY Dec 31, 2021	FY Dec 31, 2022	LTM Jun 30, 2023
<i>(Dollars in thousands)</i>									
Operating Revenues:									
Capital Markets	\$ 120,583	\$ 159,095	\$ 131,420	\$ 135,115	\$ 120,160	\$ 421,213	\$ 678,308	\$ 533,747	\$ 545,790
Wealth Management	60,860	47,145	45,772	48,542	47,243	72,345	374,361	230,734	188,702
Auction and Liquidation	3,924	7,039	59,778	5,660	10,561	88,764	73,517	74,096	83,038
Financial Consulting	24,310	22,835	25,427	25,010	31,212	91,622	94,312	98,508	104,484
Communications	41,922	73,824	87,944	86,919	84,956	87,138	93,347	235,655	333,643
Consumer	5,174	5,024	82,006	70,003	60,112	16,458	20,308	96,761	217,145
Operating Revenues	256,773	314,962	432,347	371,249	354,244	777,540	1,334,153	1,269,501	1,472,802
Investment Gains (Loss)	(117,763)	(6,917)	(58,670)	51,568	42,365	56,677	220,545	(202,628)	28,346
Total Segment Revenues	139,010	308,045	373,677	422,817	396,609	834,217	1,554,698	1,066,873	1,501,148
Segment Operating Income:									
Capital Markets	44,040	81,591	48,594	44,145	37,315	185,370	324,297	224,233	211,645
Wealth Management	(8,842)	(10,524)	(7,859)	101	(1,831)	2,097	8,311	(37,843)	(20,113)
Auction and Liquidation	451	577	12,372	200	4,188	25,769	8,054	12,600	17,337
Financial Consulting	4,284	2,704	4,412	3,783	8,318	22,543	16,894	16,312	19,217
Communications	7,708	2,438	11,205	10,783	9,982	33,360	27,158	30,320	34,408
Consumer	3,773	3,600	11,271	1,646	2,086	(1,789)	14,385	21,862	18,603
Segment Operating Income	51,414	80,386	79,995	60,658	60,058	267,350	399,099	267,484	281,097
Investment Income (Loss)	(103,833)	15,293	(56,155)	43,147	40,834	47,804	174,334	(139,108)	43,119
Total Segment Income	\$ (52,419)	\$ 95,679	\$ 23,840	\$ 103,805	\$ 100,892	\$ 315,154	\$ 573,433	\$ 128,376	\$ 324,216

Segment Operating Revenues and Operating Revenues are non-GAAP financial metrics. Please see accompanying end notes for a definition of these terms.

Segment Operating Revenue and Segment Operating Income Reconciliation

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	FY Dec 31, 2020	FY Dec 31, 2021	FY Dec 31, 2022	LTM Jun 30, 2023
<i>(Dollars in thousands)</i>									
Capital Markets Segment:									
Total Revenues	\$ 1,291	\$ 151,151	\$ 72,305	\$ 185,411	\$ 162,052	\$ 477,086	\$ 891,230	\$ 327,596	\$ 570,919
Trading (Income) Loss and Fair Value Adjustments on Loans	119,292	7,944	59,115	(50,296)	(41,892)	(55,873)	(212,922)	206,151	(25,129)
Operating Revenues	\$ 120,583	\$ 159,095	\$ 131,420	\$ 135,115	\$ 120,160	\$ 421,213	\$ 678,308	\$ 533,747	\$ 545,790
Wealth Management Segment:									
Total Revenues	\$ 62,389	\$ 48,172	\$ 46,217	\$ 49,814	\$ 47,716	\$ 73,149	\$ 381,984	\$ 234,257	\$ 191,919
Trading (Income) Loss and Fair Value Adjustments on Loans	(1,529)	(1,027)	(445)	(1,272)	(473)	(804)	(7,623)	(3,523)	(3,217)
Operating Revenues	\$ 60,860	\$ 47,145	\$ 45,772	\$ 48,542	\$ 47,243	\$ 72,345	\$ 374,361	\$ 230,734	\$ 188,702
<i>(Dollars in thousands)</i>									
Capital Markets Segment:									
Segment Income	\$ (61,322)	\$ 95,857	\$ (8,006)	\$ 86,020	\$ 77,676	\$ 232,370	\$ 491,008	\$ 81,602	\$ 251,547
Trading (Income) Loss and Fair Value Adjustments on Loans	119,292	7,944	59,115	(50,296)	(41,892)	(55,873)	(212,922)	206,151	(25,129)
Other Investment Related Operating Expenses	(13,930)	(22,210)	(2,515)	8,421	1,531	8,873	46,211	(63,520)	(14,773)
Segment Operating Income	\$ 44,040	\$ 81,591	\$ 48,594	\$ 44,145	\$ 37,315	\$ 185,370	\$ 324,297	\$ 224,233	\$ 211,645
Wealth Management Segment:									
Segment Income	\$ (7,313)	\$ (9,497)	\$ (7,414)	\$ 1,373	\$ (1,358)	\$ 2,901	\$ 15,934	\$ (34,320)	\$ (16,896)
Trading (Income) Loss and Fair Value Adjustments on Loans	(1,529)	(1,027)	(445)	(1,272)	(473)	(804)	(7,623)	(3,523)	(3,217)
Segment Operating Income	\$ (8,842)	\$ (10,524)	\$ (7,859)	\$ 101	\$ (1,831)	\$ 2,097	\$ 8,311	\$ (37,843)	\$ (20,113)

Segment Operating Revenues and Operating Revenues are non-GAAP financial metrics. Please see accompanying end notes for a definition of these terms.

Adjusted EBITDA and Operating Adjusted EBITDA Reconciliation

(Dollars in thousands)

	Q2 2022	Q3 2022	Q4 2022	Q1 2023	Q2 2023	FY Dec 31, 2020	FY Dec 31, 2021	FY Dec 31, 2022	LTM Jun 30, 2023
Net Income (Loss) Attributable to B. Riley Financial, Inc.	\$ (140,159)	\$ 47,837	\$ (57,445)	\$ 17,155	\$ 46,381	\$ 205,148	\$ 445,054	\$ (159,829)	\$ 53,928
EBITDA Adjustments									
Provision for (Benefit from) Income Taxes	(52,513)	16,350	(23,998)	7,919	21,504	75,440	163,960	(63,856)	21,775
Interest Expense	31,764	34,587	44,399	47,561	47,332	65,249	92,455	141,186	173,879
Interest Income	(500)	(686)	(1,482)	(2,574)	(701)	(564)	(229)	(2,735)	(5,443)
Share Based Payments	14,202	14,613	15,312	13,746	10,492	18,588	36,011	61,140	54,163
Depreciation and Amortization	7,961	10,717	13,443	13,077	12,534	19,369	25,871	39,969	49,771
Restructuring Charge	-	8,016	995	93	628	1,557	-	9,011	9,732
Gain on Extinguishment of Loans	-	-	-	-	-	-	(6,509)	(1,102)	-
Impairment of Tradenames	-	-	-	-	1,733	12,500	-	-	1,733
Transactions Related Costs and Other	3,468	10,003	(5,264)	(2,146)	(10)	9,531	5,881	8,498	2,583
Total Adjustments	4,382	93,600	43,405	77,676	93,512	201,670	317,440	192,111	308,193
Adjusted EBITDA	\$ (135,777)	\$ 141,437	\$ (14,040)	\$ 94,831	\$ 139,893	\$ 406,818	\$ 762,494	\$ 32,282	\$ 362,121
Operating EBITDA Adjustments:									
Trading (Income) Loss and Fair Value Adjustments on Loans	117,763	6,917	58,670	(51,568)	(42,365)	(56,677)	(220,545)	202,628	(28,346)
Realized and unrealized (gains) losses on investments	106,164	(19,071)	64,874	28,442	(18,843)	(47,341)	(166,131)	201,079	55,402
Other Investment Related Expenses	(13,930)	(23,039)	(7,697)	8,421	1,531	8,873	46,211	(69,531)	(20,784)
Total Operating EBITDA Adjustments	209,997	(35,193)	115,847	(14,705)	(59,677)	(95,145)	(340,465)	334,176	6,272
Operating Adjusted EBITDA	\$ 74,220	\$ 106,244	\$ 101,807	\$ 80,126	\$ 80,216	\$ 311,673	\$ 422,029	\$ 366,458	\$ 368,393

Adjusted EBITDA and Operating Adjusted EBITDA are non-GAAP financial metrics. Please see accompanying end notes for definitions of these terms.

End notes

These notes refer to financial metrics, defined terms and sources, as presented on:

Slide 4: B. Riley Financial, Inc. at a Glance

Figures for total headcount and locations are approximations based on the latest data available as of December 31, 2022.

Operating Revenues and Operating Adjusted EBITDA are non-GAAP financial metrics. For further discussion of these non-GAAP terms, please see “Note Regarding Use of Non-GAAP Financial Measures” and financial tables in the appendix for a reconciliation to GAAP financial measures.

(1) 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.

(2) Adjusted EBITDA includes earnings before interest, taxes, depreciation, amortization, restructuring charge, share-based payments, gain on extinguishment of loans, impairment of tradenames, and transaction related and other costs.

(3) Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (Loss) and Fair Value Adjustments on Loans, (ii) Realized and Unrealized Gains (Losses) on Investments, and (iii) other investment related expenses.

(4) Total Return representative of stock price change plus cash dividends between August 17, 2018 and August 17, 2023.

(5) Common dividend yield based on \$1.00 quarterly dividend and \$49.75 share price as of August 17, 2023 close.

Slide 9: Financial Summary – Operating Results (as of Jun 2023)

Operating Revenue, Investment Gains, Adjusted EBITDA, and Operating Adjusted EBITDA are non-GAAP financial metrics. For further discussion of these non-GAAP terms, please see “Note Regarding Use of Non-GAAP Financial Measures” and financial tables in the appendix for a reconciliation to GAAP financial measures.

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.

Investment Gains is defined as Trading Income and Fair Value Adjustments on Loans.

Adjusted EBITDA includes earnings before interest, taxes, depreciation, amortization, restructuring charge, share-based payments, gain on extinguishment of loans, impairment of tradenames, and transaction related and other costs.

Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (Loss) and Fair Value Adjustments on Loans, (ii) Realized and Unrealized Gains (Losses) on Investments, and (iii) other investment related expenses.

Slide 10: Composition of Cash and Investments (as of Jun 2023)

(1) Public Equity, Private Equity, and Partnership Interests and Other include investments reported in prepaid and other assets.

(2) Public Equity also includes \$62 million equity positions held by B. Riley in managed account with gains and losses for client benefit, as of June 30, 2023.

Slide 11: Loans Receivable Overview (as of Jun 2023)

(1) Summary Statistics of Other Loans Receivable excludes Badcock receivables.

Slide 12: Strong Shareholder Alignment

Institutional holdings as of June 30, 2023. Source: Nasdaq.

Insider holdings as of June 30, 2023.

Insider purchase data from March 16, 2017 to August 17, 2023.

Dividend metrics include Q2 2023 quarterly dividend of \$1.00 per share.

Total Shareholder Return equal to $(\text{August 17, 2023 Closing Share Price} - \text{Beginning Period Share Price} + \text{Dividends}) / \text{Beginning Period Share Price}$. (1) RILY began trading on the Nasdaq on July 16, 2015 at \$10.00 per share.

Share repurchase data from January 1, 2018 through June 30, 2023.

End notes

These notes refer to financial metrics, defined terms and sources, as presented on:

Slide 15: Business Mix by Segment (as of Jun 2023)

Segment Operating Revenues is a non-GAAP financial metric. For further discussion of this non-GAAP term, please see “Note Regarding Use of Non-GAAP Financial Measures” and financial table in the appendix for a reconciliation to GAAP financial measures.

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

Slide 16: Leading Middle-Market Capital Markets Platform

B. Riley Securities by the Numbers Trailing 3 Years (July 1, 2020 through June 30, 2023).

(1) Cumulative led transaction deal value (public IPO, FO and convert offerings).

(2) Source: Dealogic. Pricing Date July 1, 2020 through June 30, 2023, Deal Type = IPO, FO, Rank Eligible. SEC registered. Exchange Nationality = USA. Market Cap. \$100m-\$1.5bn. Deal Price >= \$1.00. Excludes SPAC IPOs and Healthcare transactions.

(3) 300+ ATMs over time span.

Slide 18: Institutional Brokerage & Equity Research

Figures noted for Companies Covered under Equity Research, Institutional Investors Covered, and Securities in which we serve as a Market Maker as of June 30, 2023.

Slides 19: Wealth Management

Figures noted for Financial Advisors and Registered Representatives, and Client Assets as of June 30, 2023.

Slide 21: Financial Consulting: Valuation and Appraisal

Figures noted for Valuation Assignments, Unique Companies Appraised, and Square Feet Inspected as of December 31, 2022.

Slide 22: Retail Liquidation

Figures noted for Store Closures and Value of Assets and Inventory Liquidated as of March 2023.

Slide 24: Consumer Brand Investments

Targus ranked #1 B2B and Retail Laptop Cases in the U.S. Source: The NPD Group/Retail Tracking Service (U.S. and Canada); combined Q3 2022 sales for Sleeves/Slipcases; Reseller Tracking (U.S.): combined sales for Laptop Cases and Other. Notebook Accessories; based on unit sales, 12ME September 2022 combined.

Percentages represent approximate ownership stakes in these brands as of June 30, 2023.

Acquired minority equity interest in Scotch and Soda brand in May 2023.

Our investments in Hurley, Justice and bebe are recognized outside of Operating Income from Reportable Segments and is reported in “Other Income (Expense).”

End notes

These notes refer to financial metrics, defined terms and sources, as presented on:

Slide 27: Balance Sheet Summary, Key Metrics

(1) Balance Sheet Summary as of June 30, 2023.

(2) Includes approximately \$1,072.4M in securities and other investments owned net of \$2.7M in securities sold not yet purchased.

(3) Includes approximately \$2.3M in restricted cash, \$0.2M in advances against customer contracts, \$22.3M due from clearing brokers, and \$66.3M in other investments reported in prepaid and other assets, net of \$31.2M in noncontrolling interest related to investments reported in securities and other investments owned.

(4) Excludes operating lease liabilities.

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

(6) Based on results for last twelve months ended June 30, 2023.

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

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

(9) Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (Loss) and Fair Value Adjustments on Loans, (ii) Realized and Unrealized Gains (Losses) on Investments, and (iii) Other Investment Related Expenses.

(10) Investment Adjusted EBITDA is defined as Trading Income (Loss) and Fair Value Adjustments on Loans and Realized and Unrealized Gains (Losses) on Investments, net of Other Investment Related Expenses.

(11) Adjusted EBITDA includes earnings before interest, taxes, depreciation, amortization, restructuring charge, share-based payments, gain on extinguishment of loans, impairment of tradenames, and transaction related and other costs.

(12) RILY common stock price as of August 17, 2023 for total shares outstanding of 28.5 million as of June 30, 2023.

(13) Fair market value of RILYP and RILYL preferred shares as of August 17, 2023 for total shares outstanding as of June 30, 2023.

(14) Enterprise value is defined as market capitalization, less cash and cash equivalents, restricted cash, the net amount of due from clearing brokers and due to 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 the net amount of other investments and deposits reported in prepaid and other assets and noncontrolling interest related to investments reported in securities and other investments owned, plus notes payable, term loans, net, revolving credit facility, senior notes payable, and fair value of RILYP and RILYL as of August 17, 2023 using outstanding preferred shares as of June 30, 2023.

Slide 30 and 31: Segment Operating Revenues and Segment Operating Income; Segment Operating Revenue and Segment Operating Income Reconciliation

Segment Operating Revenue, Investment Gains (Loss), Segment Operating Income and Investment Income (Loss) are non-GAAP financial metrics. For further discussion of these non-GAAP terms, please see "Note Regarding Use of Non-GAAP Financial Measures."

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.

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

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

Investment Income (Loss) is defined as Trading Income (Loss) and Fair Value Adjustments on Loans, net of other investment related operating expenses.

Slide 32: Adjusted EBITDA and Operating Adjusted EBITDA Reconciliation (as of June 2023)

Adjusted EBITDA and Operating Adjusted EBITDA are non-GAAP financial metrics. For further discussion of these non-GAAP terms, please see "Note Regarding Use of Non-GAAP Financial Measures."

Adjusted EBITDA includes earnings before interest, taxes, depreciation, amortization, restructuring charge, share-based payments, gain on extinguishment of loans, impairment of tradenames, and transaction related and other costs.

Operating Adjusted EBITDA is defined as Adjusted EBITDA excluding (i) Trading Income (Loss) and Fair Value Adjustments on Loans, (ii) Realized and Unrealized Gains (Losses) on Investments, and (iii) Other Investment Related Expenses.



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