STOCKING UP
Whether going to the store or ordering for delivery, consumers responded to the pandemic by stocking up on alcoholic beverages.

CHANNEL SHIFTING
The industry has experienced shifts from on-premise to off-premise sales and from tasting room sales to direct-to-consumer sales.

STAY AT HOME
Stay-at-home orders affected over 90% of the U.S. population of nearly 330 million by early April, deeply impacting business operations.
Deals are a moving target. A constantly shifting mix of people, numbers and timing. We’re here to simplify this process for you. Our experts are dedicated to tracking down and flushing out the values you need even on the most complex deals, so you can leverage our hard-won knowledge to close the deal.
NOLVs: NOLVs decreased for wine producers due to depressed bulk wine market conditions and COVID-19 sales challenges. Wine producers that cater more to on-premise accounts have endured additional stress, as they are impacted by bulk wine market pricing as well as closures of bars and restaurants. NOLVs decreased for spirits producers due to lower gross margins primarily driven by the product mix sold, as well as the continued fallout of COVID-19. Spirits producers that catered to on-premise accounts and tasting rooms were especially hit hard. NOLVs were mixed for wine and spirits distributors due to increased levels of supply due to COVID-19, which led to more discounts necessary to liquidate product. Conversely, some distributors have seen NOLVs increase, driven by increased demand in value segments.

Sales Trends: Sales trends were mixed for wine and spirits producers, as some experienced sales increases to distributors primarily driven by value segments and the lack of on-premise customers. Other producers have seen decreases in sales due to the ongoing pandemic, resulting in the closures of tasting rooms and slower-than-normal on-premise transactions. Sales trends were mixed for wine and spirits distributors, as some were able to continue to sell to their heavily concentrated off-premise customer base, while other distributors saw sales declines driven by the closure of on-premise accounts, primarily restaurants and bars.

Gross Margin: Gross margins were mixed for producers, as some saw declines due to increased sales within the value segment. Other producers have seen increased sales through their direct-to-consumer model, which typically achieves higher gross margins. Gross margins increased for wine and spirits distributors primarily due to the product mix sold.

Inventory: Bulk wine levels increased for wine producers as they manage the 2019 harvest. Inventory levels were mixed for wine and spirits distributors due to increased levels of supply due to COVID-19, which led to more discounts necessary to liquidate product. Conversely, some distributors have seen NOLVs increase, driven by increased demand in value segments.

Pricing: Pricing for bulk wine decreased over the last three and 12 months due to an oversupply on the market, with pricing additionally decreasing since last year due to slower-than-normal market conditions. Pricing was mixed for bulk spirits, with brown spirits market pricing continuing to remain steady; however, younger brown spirits and new fills have seen drops in pricing due to additional supplies coming online. Tequila continues to drive the pricing upward, as more producers enter this liquor space. Corn and wheat prices decreased over the last quarter and year due to COVID-19 and ongoing trade disputes with China.
Overview

The coronavirus has caused disruptions on a global scale. Over four months of varying degrees of stay-at-home orders, business restrictions, and economic devastations have had a significant impact on the beverage alcohol industry.

Officially declared a pandemic by the World Health Organization on March 11, 2020, COVID-19, and efforts to contain and limit its spread, prompted U.S. state and local governments to issue stay-at-home orders affecting over 90% of the U.S. population of nearly 330 million by early April. By May 20, all 50 U.S. states at least partially eased tight restrictions on businesses, though flareups of the virus have been forcing affected local governments to backpedal reopening plans.

Since early March and based on changing stay-at-home orders and business restrictions, the beverage alcohol industry has experienced a significant amount of channel-shifting for alcohol sales: from on-premise to off-premise, tasting rooms to direct-to-consumer ("DTC"), more frequent shopping to less frequent shopping with larger basket sizes, and combinations of these shifts.

Some localities have permitted the reopening of restaurants, bars, and other “on-premise” drinking establishments with precautionary measures in place, while others have remained closed for now. As a result, on-premise accounts have seen significant declines in sales, as virtually all of the approximate 62,500 U.S. bars, taverns, pubs, and nightclubs were closed or maintained modified or limited operations and as an estimated 80% of sit-down restaurants were closed during the initial lockdown period.

Based on Nielsen CGA RestaurantTrak data, which includes approximately 15,000 independent restaurant operators and smaller groups, cited by Wine Business Monthly, overall sales velocities in the week ended June 27, 2020 for those outlets still open improved to negative 10% as compared to the pre-COVID-19 norm; this represented a 220% increase versus the week ended March 28. Sales varied by state based on the infection rates and restrictions imposed by local governments.
Overview

On the other hand, alcohol sales through off-premise channels, such as grocery and liquor stores, have surged overall as a result of COVID-19. As consumers significantly scaled back imbibing at their favorite on-premise sites, they have shifted to purchasing alcohol via retail channels for home consumption.

Off-premise alcoholic beverage sales increased 11.5% for the week ended July 4, 2020 compared to the same time a year ago, according to Nielsen data cited by Wine Business Monthly; this growth represented a slower pace than the previous week, which saw a 19.2% sales increase from the year before. By category, the year-over-year increases were largest for spirits with sales rising 23.2%, followed by wine increasing 15.2%, and beer/flavored malt beverages/cider increasing 6.6%.

Heading into July, retailers experienced intense demand for ready-to-drink packaged beverages, wine, and tequila.

In addition, hard seltzers and rosés, in particular, have continued their robust growth trends, with retailers working hard to keep up with rising consumer demand for these products.

Overall e-commerce alcohol sales sold via online retail channels skyrocketed by 441% year-over-year for the week ended April 4, primarily driven by increases in new buyers of alcohol online. Online sales also increased in June 2020 versus the prior year, though at levels three times higher than a year ago versus six times higher in April. The decline in the online sales growth rate is likely due to consumers slightly returning to pre-pandemic shopping patterns.

According to IWSR, a provider of insights on the alcoholic beverage market, the global beverage alcohol industry will require approximately five years before fully rebounding from the impact of the pandemic.
Wine

Winery sales have been hard hit by the pandemic, particularly those that are more focused on on-premise sales. Tasting rooms and winery restaurants have been closed or operating with modified operations, with a short period of a full reopening in California in late May and during June, only to be restricted again in July. Wineries that traditionally sell more to restaurants and other on-premise sites have seen their sales plummet.

According to Wine Business Monthly, on-premise wine sales declined 89% both in value and volume in May, representing a minor improvement from the 90% decline reported the prior month. June figures are expected to improve as more on-premise establishments slowly reopen; however, the overall year is expected to be down significantly from 2019.

In 2019, U.S. wine consumption decreased 0.9%, the first decline since 1994, according to IWSR. An increase in sparkling wine consumption by nearly 4% was not enough to offset the drop in the large still wine category of 1.5%, bringing total wine down by 0.9%. The volume loss was in part attributed to a generational shift, as millennials increasingly turn to alternatives such as hard seltzers, cocktails, and non-alcoholic beer.

According to Nielsen data cited from Wine Business Monthly, for the 52 weeks ended April 18, 2020, sales for wines priced $11 to $14.99, $15 to $19.99, $20 to $24.99, and over $25 increased 9.2%, 10.2%, 10.1%, and 6.5%, respectively, while volumes in nine-liter-equivalent cases increased 8.5%, 10.0%, 8.4%, and 3.6%, respectively. For the same 52-week period, sales for wines priced $8 to $10.99 decreased 0.1%, while volumes in nine-liter cases decreased 0.8%.

The top-selling varietal by case volume sales, chardonnay, represented 17.4% of the market share in volume sales and 16.5% in dollar sales. For the four weeks ended April 18, 2020, chardonnay volume and dollar sales increased 15.3% and 14.0%, respectively, compared to the same period in 2019. The second-largest varietal by case volume, cabernet sauvignon, maintained 16.2% of the market share in volume sales and 19.1% in dollar sales. Over the four-week period, cabernet sauvignon volume sales increased 28.7%, while dollar sales increased 29.4%. Rosé table wine continued to experience strong growth, with a 29.2% increase in volume and a 26.8% increase in sales; this category holds a 3.0% market share in volume sales and a 3.8% market share in dollar sales.

According to the Wine Institute, a public policy advocacy organization representing over 1,000 California wineries and affiliated businesses, the state’s wine industry will likely lose more than $4 billion in 2020 as a result of the pandemic.
The spirits segment has been on an upward trajectory over the past few years, particularly for brown spirits such as whiskey, and has been growing its share of the alcohol segment. Since the start of the pandemic, the spirits segment has been effectively able to transfer lost on-premise sales to off-premise channels. Based on Nielsen data cited by *Wine Industry Advisor*, although spirits’ growth of 23.2% for the week ended July 4 versus the prior year is lower than previous weeks, its weekly dollar sales of $440 million in Nielsen-measured off-premise channels represents its second highest weekly sales of 2020 to date. The strongest growth has been with ready-to-drink cocktails (+91.8%), tequila (+69.8%), cognac (51.4%), and cordials (41.3%).

In 2019, U.S. spirits volume grew by 2.3%, according to IWSR. The strongest revenue growth in the U.S. spirits market continued to come from high-end premium and super premium products, according to DISCUS Chief Economist, David Ozgo. Due to the rapid growth in super-premium products over the last 10 years, the average supplier revenue per nine-liter case (12 bottles) is now more than $120.

Key spirits category drivers of sales growth in 2019 included American whiskey, which increased 10.8%, or $387 million, to $4 billion. Rye was an important component of the overall American whiskey category growth, with sales up 14.7%, or $30 million, reaching $235 million. In addition, sales of tequila/mezcal increased 12.4%, or $372 million, to $3.4 billion, with mezcal surpassing $100 million in sales for the first time, totaling $105 million. Furthermore, pre-mixed cocktails were up 7.5%, or $25 million, to $351 million. Vodka remained the spirits sector’s largest category, representing 31% of all volume. In 2019, vodka revenues were up 2.9% to $6.6 billion, driven by strong growth in high-end premium products.

Ready-to-drink products represent an $8 billion industry in the U.S., with volume that grew by almost 50% in 2019, due in large part to the popularity of hard seltzers brands such as White Claw and Truly. The hard seltzer volume approximates 82.5 million nine-liter cases and is forecasted to triple by 2023.
Similar to the wine and spirits segments, sales of beer in the off-premise channel have surged. Consumers have gravitated toward larger, longstanding brands, such as Busch Light, Corona, Michelob Ultra, Miller Light, and Coors Light, and have been purchasing large pack sizes.

However, as brewers traditionally generate just over half of beer revenue at bars and restaurants, which have generally closed or significantly reduced operations, the increase in off-premise sales will likely not offset the loss of on-premise sales. According to Nielsen data, beer volume in the off-premise channel would need to increase approximately 22% to offset the on-premise volume loss. From the period from March 7 through April 25, however, beer volume in the off-premise channel has increased 15.4%, falling short of that benchmark.

In 2019, beer once again showed a decline of 2.3%, with continued competition from other categories. However, craft beer consumption increased by 4.1%, and low/no-alcohol beer posted a gain of 6.6%. Imported beer increased 3.1%, while domestic beer dropped 3.6%.

According to the Brewers Association, overall U.S. beer volume sales were down 2% in 2019, whereas craft brewer sales continued to grow at a rate of 4% by volume, reaching 13.6% of the U.S. beer market by volume.

Retail dollar sales of craft increased 6%, up to $29.3 billion, and now account for more than 25% of the $116.0 billion U.S. beer market. These statistics use the craft brewer definition of small and independent brewer.
Pricing Trends

BULK WINE

The U.S. includes over 11,000 bonded wineries, with nearly half of them located in California. California accounts for over 80% of American wine production, including over 240 million cases per year.

Early reports indicate California’s 2020 crop size is looking to be average to slightly below average. Growers will likely face hardships similar to those throughout the supply chain and may encounter delayed payments, strained cash flow, renegotiated contract pricing and payment terms, and difficult financing.

According to the USDA National Agricultural Statistics Service’s 2019 California Grape Crush Report, the wine grape crush totaled 3.9 million tons in 2019, down 8.4% from 4.3 million tons in 2018. As a lot of the 2018 crop was still in the bulk wine marketplace as 2020 began, however, the lower yield in 2019 did not impact the overall decrease in bulk wine pricing.

In 2019, red wine varieties accounted for the largest share of all grapes crushed at 2.1 million tons, down 12.8% from the prior year. The white wine variety crush totaled 1.8 million tons, down 4.3% from 2018. Chardonnay continued to account for the largest percentage of the total crush volume with 15.6%, while cabernet sauvignon accounted for the second leading percentage of crush with 14.1%.

In 2019, the average price of all varieties was $790.43, down 5% from 2018. Average prices for the 2019 crop by type were as follows: red wine grapes, $990.07, down 2.9%; white wine grapes, $580.66, down 8.6%; table grapes, $262.60, up 36.8%; and raisin grapes, $244.88, down 19%.

GA relies on bulk wine prices from the nation’s two leading brokerage companies, Ciatti Company and Turrentine Brokerage. According to John Ciatti, Ciatti Company completes over 4,000 transactions globally on over 100 million gallons of bulk wine annually. In addition, Turrentine Brokerage claims that its broad range of values covers approximately 95% of sales, while its most likely range applies to roughly 80% of sales. However, estimates from neither brokerage are guaranteed to reflect actual market prices.

BULK SPIRITS

Bourbon and whiskey are aged for multiple years and become more valuable as they age. While American corn whiskey tends to require less barrel age, its value increases over time in a consistent manner with Kentucky bourbon and Canadian whiskey.

Bulk prices for brown spirits have been mixed over the last year. Younger brown spirits and new fills have seen drops in market pricing due to additional supplies coming online. Tequila continues to drive bulk spirits market pricing upward, as more producers are entering this liquor space.
The corn marketing year runs from September of one year through August of the next year. Based on the most recent WASDE (World Agricultural Supply and Demand Estimates) report from the USDA released on July 10, the 2020/21 U.S. corn outlook is for sharply lower supplies; reduced feed and residual use; increased food, seed, and industrial use; and lower ending stocks.

For 2020/21, corn production is forecast 995 million bushels lower based on reduced planted and harvested areas from the June 30 Acreage report. The national average corn yield is unchanged at 178.5 bushels per acre. Projected feed and residual use is lowered 200 million bushels, reflecting a smaller crop and higher expected prices.

Food, seed, and industrial use is raised 25 million bushels, based on projected increases in the amount of corn used for beverage and manufacturing, starch, and glucose and dextrose.

Small revisions are made to historical trade and utilization estimates based on the 13-month trade data revisions from the Census Bureau. With supply declining more than use, stocks are lowered 675 million bushels to 2.6 billion.

The season-average corn price received by producers is raised 15 cents to $3.35 per bushel based on observed prices to date.

**Pricing Trends**

### U.S. Corn Average Farm Price Received per Bushel

13 Months Ended May 2020

![Price per Bushel Graph](image-url)
WHEAT

The wheat marketing year runs from June of one year through May of the next year. The outlook for 2020/21 U.S. wheat based on the most recent WASDE report is for larger supplies, lower domestic use, unchanged exports, and increased stocks.

Supplies are raised as larger beginning stocks more than offset lower production. Beginning stocks increased on the NASS Grain Stocks report issued June 30, which indicated higher 2019/20 ending stocks than previously estimated. This also resulted in lowering 2019/20 feed and residual use by 61 million bushels to 74 million.

Wheat production for 2020/21 reduced 53 million bushels to 1,824 million. Domestic use is 10 million bushels lower this month, all on reduced feed and residual use as 2020/21 U.S. corn supplies are still projected significantly larger than last year.

Ending stocks for 2020/21 are projected 17 million bushels higher than the prior month at 942 million. Projected 2019/20 wheat stocks are reduced 1.3 million to 314.8 million.

The season-average farm price is reduced $0.02 per bushel to $4.60, based on NASS prices reported to date and expectations for cash and futures prices the remainder of the 2020/21 marketing year.
**Reference Sheet**

**U.S. CORN**

Average farm price received per bushel

<table>
<thead>
<tr>
<th>Marketing Year*</th>
<th>JUN</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/2020</td>
<td>$3.98</td>
<td>$4.16</td>
<td>$3.93</td>
<td>$3.80</td>
<td>$3.84</td>
<td>$3.68</td>
<td>$3.71</td>
<td>$3.79</td>
<td>$3.78</td>
<td>$3.68</td>
<td>$3.29</td>
<td>$3.20</td>
</tr>
<tr>
<td>Change</td>
<td>10.1%</td>
<td>16.6%</td>
<td>14.5%</td>
<td>10.5%</td>
<td>10.9%</td>
<td>7.3%</td>
<td>4.6%</td>
<td>6.1%</td>
<td>4.8%</td>
<td>1.9%</td>
<td>(7.3%)</td>
<td>(13.4%)</td>
</tr>
</tbody>
</table>

*U.S. marketing year for corn is from September to August.

**U.S. WHEAT**

Average farm price received per bushel

<table>
<thead>
<tr>
<th>Marketing Year*</th>
<th>JUN</th>
<th>JUL</th>
<th>AUG</th>
<th>SEP</th>
<th>OCT</th>
<th>NOV</th>
<th>DEC</th>
<th>JAN</th>
<th>FEB</th>
<th>MAR</th>
<th>APR</th>
<th>MAY</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018/2019</td>
<td>$5.19</td>
<td>$5.00</td>
<td>$5.31</td>
<td>$5.15</td>
<td>$5.22</td>
<td>$5.23</td>
<td>$5.28</td>
<td>$5.28</td>
<td>$5.13</td>
<td>$5.19</td>
<td>$4.93</td>
<td>$4.78</td>
</tr>
<tr>
<td>2019/2020</td>
<td>$4.81</td>
<td>$4.52</td>
<td>$4.35</td>
<td>$4.26</td>
<td>$4.45</td>
<td>$4.39</td>
<td>$4.64</td>
<td>$4.87</td>
<td>$4.88</td>
<td>$4.86</td>
<td>$4.84</td>
<td>$4.76</td>
</tr>
<tr>
<td>Change</td>
<td>(7.9%)</td>
<td>(10.6%)</td>
<td>(22.1%)</td>
<td>(20.9%)</td>
<td>(17.3%)</td>
<td>(19.1%)</td>
<td>(13.8%)</td>
<td>(8.4%)</td>
<td>(9.2%)</td>
<td>(6.8%)</td>
<td>(1.9%)</td>
<td>(0.4%)</td>
</tr>
</tbody>
</table>

*U.S. marketing year for wheat is from June to May.

**Monitor Information**

GA’s *Wine & Spirits Monitor* relates information covering most wine and spirits, including industry trends and market pricing, and their relation to our valuation process. Should you need any further information or wish to discuss recovery ranges for a particular segment, please feel free to contact your GA Business Development Officer.

The information contained herein is based on a composite of GA’s industry expertise, contact with industry personnel, liquidation and appraisal experience, and data compiled from a variety of well-respected sources believed to be reliable. GA does not make any representation or warranty, expressed or implied, as to the accuracy or completeness of the information contained in this issue. Neither GA nor any of its representatives shall be liable for use of any information in this issue or any errors therein or omissions therefrom.
Experience

GA was involved in the liquidation of Havens Wine Cellars and Billington Imports LLC and has liquidated several national and regional grocery stores that included wine and spirits such as A&P, Andronicos, Cost Cutter, Food Pavilion, and The Markets. GA has also worked with and appraised numerous companies within the wine and spirits industry. While our clients remain confidential, they include industry leaders, including large distributors and specialty retailers of alcoholic beverages, producers of wine and beer, and national and regional grocery stores. Products have included a variety of value-priced, mid-tier, premium, and ultra-premium brands including highly recognizable and reputable names. GA’s extensive list of appraisal experience includes:

• Leading regional distributors of spirits, wine, and beer with products such as vodka, whiskey, cognac, rum, brandy, scotch, tequila, various wines, craft beers, and non-alcoholic beverages such as mixers, water, and carbonated drinks.
• Producers and rectifiers of whiskey and other distilled spirits, including vodka, gin, tequila, liqueurs, and absinthe, which are sold under well-recognized, nationally distributed brands.
• A producer and distributor of private label wine, beer, and spirits for large retailers primarily in the U.S. and the U.K.
• A vertically integrated distributor of a known vodka brand.
• One of the largest specialty retailers of alcoholic beverages in the West that offers more than 3,000 types of wine, 1,500 types of spirits, and 1,200 types of beer.
• One of the largest U.S. distributors of wine and spirits with revenues of over $1.5 billion, servicing liquor and grocery stores, restaurants, bars, casinos, and reservations.
• National and regional grocery stores that sell a wide variety of beer, wine, and spirits.

In addition to wholesalers of case and bulk wine, including those mentioned on the above, GA also maintains extensive appraisal experience with numerous domestic wineries, allowing for additional specialization.

• A well-known producer of ultra-premium, luxury wines from estate vineyards in Napa Valley and Anderson Valley, as well as from vineyards in the Russian River Valley and Sonoma Valley.
• A producer of wines originating primarily from California’s North and Central Coasts, as well as from the Lodi AVA in the Central Valley, which are sold under its well-known labels throughout the U.S. and the world.
• A producer of moderate- to high-end wines, with varietals including pinot noir and chardonnay and sourced from its three estate vineyards in the Carneros AVA, while the remainder is sourced from growers primarily in the same AVA in Napa and Sonoma counties.
• A bottler and distributor of wines under several proprietary labels, with varietals sourced from California and internationally.
• A Napa Valley producer of high-end wines sold under well-known proprietary labels, with over 99% of grapes sourced from its 235-acre estate in Rutherford, California.
• A producer and marketer of moderate- to high-end wines in the Napa Valley and Sonoma County, all of which are produced with estate-grown fruit and sold under three owned brands.
• A producer of moderate- to high-priced wines in the Pacific Northwest and California including eight well-known brands with an annual production of over half a million cases.
• A high-end producer of wines, including Bordeaux-style blends and varietals such as merlot, chardonnay, and pinot noir, which are sourced from its own 100-acre vineyard near Napa, while the remainder is from several California vineyards.
• Numerous importers and marketers of more than 500 foreign and domestic brands of wine.

In addition to our vast liquidation and appraisal experience, GA maintains contacts within the wine and spirits industry that we utilize for insight and perspective on recovery values.
Appraisal & Valuation Team

BUSINESS DEVELOPMENT

Bill Soncini
National Marketing Manager
Managing Director
Midwest Region
(773) 495-4534
bsoncini@greatamerican.com

Ryan Mulcunry
Managing Director
Northeast Region
(617) 692-8310
rMulcunry@greatamerican.com

Stephen Shelton
Managing Director
New York Metro/Mid-Atlantic Region
(203) 524-3271
sshelton@greatamerican.com

Jennie Kim
Managing Director
Western Region
(818) 746-9370
jkim@greatamerican.com

David Seiden
Managing Director
Southeast/Southwest Region
(404) 242-0683
dseiden@greatamerican.com

Akilah Moore
Business Development Associate
Midwest Region
(312) 777-7956
amoore@greatamerican.com

OPERATIONS

Chad P. Yutka, ASA
Senior Managing Director
National Practice Leader
(312) 909-6078
cyutka@greatamerican.com

Timothy Sands
Project Manager
Wine & Spirits Specialist
(818) 746-9319
tsands@greatamerican.com

Christine So
Editorial Manager
(818) 746-9331
christineso@greatamerican.com

ASSET DISPOSITION TEAM

Adam Alexander
CEO
GA Global Partners
(818) 340-3134
aalexander@greatamerican.com

Jeff Tanenbaum
President
GA Global Partners
(818) 650-2283
jtanenbaum@gaglobl.com

Paul Brown
Vice President
GA Global Partners
(203) 292-8111
pbrown@greatamerican.com
Great American Group is a leading provider of asset disposition solutions and valuation and appraisal services to a wide range of retail, wholesale, and industrial clients, as well as lenders, capital providers, private equity investors, and professional services firms. In addition to the Wine & Spirits Monitor, GA also provides clients with industry expertise in the form of monitors for the chemicals and plastics, metals, food, and building products sectors, among many others. For more information, please visit [www.greatamerican.com](http://www.greatamerican.com).

Great American Group, LLC is a wholly-owned subsidiary of 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, providing comprehensive wealth management services to individual and corporate clients; B. Riley Capital Management, 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.

B. Riley Financial, Inc. is headquartered in Los Angeles with offices in major financial markets throughout the United States, Europe, and Australia. For more information on B. Riley Financial, Inc., please visit [www.brileyfin.com](http://www.brileyfin.com).