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Alliance Entertainment Signs Exclusive Distribution with Arcade1Up for Retail and Website Fulfillment in North America

Arcade1Up Consoles and Games Generated Over $74 Million in Revenue for Alliance Entertainment During FY2024 and Positioned for Continued Growth

PLANTATION, Fla., July 30, 2024 (GLOBE NEWSWIRE) -- Alliance Entertainment Holding Corporation (Nasdaq: AENT) ("Alliance Entertainment", "Company"), a global distributor and wholesaler specializing in music, movies, video games, electronics, arcades, and collectibles, announced today an exclusive distribution agreement executed with Arcade1Up for retail and website fulfillment of the complete line of arcade and gaming products in North America.

Arcade1Up licenses and manufactures home arcade consoles with over 95% market share and over 90% of key licenses in the retro gaming space. These include some of the most well-recognized arcade games like PAC-MAN, Ms. PAC-MAN, Mortal Kombat, NBA Jam, Golden Tee, Big Buck and more. Arcade1Up has also launched the Infinity Gaming line, which includes the Infinity Game Table (IGT) and the Infinity Game Board (IGB). This unique platform brings home fun for the entire family via digital versions of classic and iconic board games, including Hasbro's Monopoly, Scrabble, Trivial Pursuit, Chutes and Ladders, Candy Land, Yahtzee and more. The Infinity Gaming line also includes puzzles, card games, coloring books, educational and many more licensed games.

Alliance has been a significant distributor for Arcade1Up since 2021. During Alliance's fiscal year ending June 30, 2024, Arcade1Up product sales exceeded $74 million.

"We are excited to become the exclusive distributor for Arcade1Up and to further grow sales and customer reach. With our FY2024 sales of Arcade1Up products over $74 million this is a significant line of business for Alliance, which we are committed to growing substantially," said Jeff Walker, CEO of Alliance. "We are focused on expanding our distribution of Arcade1Up products to retailers and ecommerce consumers. These are products that bring smiles and joy to consumers of all ages. PAC-MAN, for example, is one of the most globally recognized brands and will continue to drive demand for years to come."

Over the last three years, Alliance has developed robust in-store and online sales for Arcade1Up products. Major retailers including Best Buy, Walmart, Amazon, Target, Kohl's, Wayfair, BJ's Wholesale Club, Nebraska Furniture Mart, Dell, QVC, HSN, Home Depot, PC Richard and many more have had success with Arcade1Up products. Alliance has expanded the reach of Arcade1Up products through its consumer direct fulfillment division to many of these major retailers. A robust assortment of Arcade1Up products is stocked in the Alliance warehouse and shipped directly to our retail partners' consumers. This represents significant

sales for these retailers with zero inventory risk.

“The entire Arcade1up team is thrilled to solidify our Alliance partnership. Alliance is reliable and the staff is truly an extension of ours. We rely on the Alliance team to develop retail relationships and assist us with new opportunities. Alliance has the ability to service our entire fan base throughout North America and they are positioned to help up grow and most importantly Alliance is flexible during our busy times, ensuring we are in stock for our customers,” said Dora Dvir, CEO of Tastemakers. “We have overcome a lot of challenges recently and as we improved our supply chain we were able to rely on Alliance to be part of the solution. We have finally found a partner that allows us to focus and do what we love: make video games!”

About Arcade1UP

It's time to play again! Home entertainment titan Tastemakers and creators of Arcade1Up, a line of award-winning, innovative ¾ scale home arcade and pinball machines featuring licensed retro games from the golden age of arcades. Arcade1Up's classic titles include NBA JAM™, Golden Tee 3D, Terminator 2, Tron™, Street Fighter™, X-Men, Mortal Kombat, PAC-MAN, Star Wars™, Marvel Super Heroes™, Teenage Mutant Ninja Turtles™, Killer Instinct™, Dragon's Lair, Ridge Racer™, Golden Axe™, Simpsons™, Big Buck Hunter®, and others. Arcade1Up's digital board game, The Infinity Game Table™ and the portable, Infinity Game Board™. Arcade1Up allows people to play in the comfort of their homes, with an authentic retro arcade experience, and Wi-Fi for online play, at an accessible price. Check out **Arcade1Up.com**, **Facebook**, **Instagram**, **Twitter**, **TikTok**, and **YouTube**.

About Alliance Entertainment

Alliance Entertainment (NASDAQ: AENT) is a premier distributor of music, movies, toys, collectibles, and consumer electronics. We offer over 325,000 unique in-stock SKU’s, including over 57,300 exclusive compact discs, vinyl LP records, DVDs, Blu-rays, and video games. Complementing our vast media catalog, we also stock a full array of related accessories, toys, and collectibles. With more than thirty-five years of distribution experience, Alliance Entertainment serves customers of every size, providing a robust suite of services to resellers and retailers worldwide. Our efficient processing and essential seller tools noticeably reduce the costs associated with administrating multiple vendor relationships, while helping omni-channel retailers expand their product selection and fulfillment goals. For more information, visit www.aent.com.

Forward Looking Statements

Certain statements included in this Press Release that are not historical facts are forward-looking statements for purposes of the safe harbor provisions under the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements generally are accompanied by words such as “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “would,” “plan,” “predict,” “potential,” “seem,” “seek,” “future,” “outlook,” and similar expressions that predict or indicate future events or trends or that are not statements of historical matters. These forward-looking statements include, but are not limited to, statements regarding estimates and forecasts of other financial and performance metrics and projections of market opportunity. These statements are based on various assumptions, whether identified in this Press Release, and on the current expectations of

Alliance's management and are not predictions of actual performance. These forward-looking statements are provided for illustrative purposes only and are not intended to serve as and must not be relied on by an investor as, a guarantee, an assurance, a prediction, or a definitive statement of fact or probability. Actual events and circumstances are difficult or impossible to predict and will differ from assumptions. Many actual events and circumstances are beyond the control of Alliance. These forward-looking statements are subject to a number of risks and uncertainties, including risks relating to the anticipated growth rates and market opportunities; changes in applicable laws or regulations; the ability of Alliance to execute its business model, including market acceptance of its systems and related services; Alliance's reliance on a concentration of suppliers for its products and services; increases in Alliance's costs, disruption of supply, or shortage of products and materials; Alliance's dependence on a concentration of customers, and failure to add new customers or expand sales to Alliance's existing customers; increased Alliance inventory and risk of obsolescence; Alliance's significant amount of indebtedness; our ability to refinance our existing indebtedness; our ability to continue as a going concern absent access to sources of liquidity; risks and failure by Alliance to meet the covenant requirements of its revolving credit facility, including a fixed charge coverage ratio; risks that a breach of the revolving credit facility, including Alliance's recent breach of the covenant requirements, could result in the lender declaring a default and that the full outstanding amount under the revolving credit facility could be immediately due in full, which would have severe adverse consequences for the Company; known or future litigation and regulatory enforcement risks, including the diversion of time and attention and the additional costs and demands on Alliance's resources; Alliance's business being adversely affected by increased inflation, higher interest rates and other adverse economic, business, and/or competitive factors; geopolitical risk and changes in applicable laws or regulations; risk that the COVID-19 pandemic, and local, state, and federal responses to addressing the pandemic may have an adverse effect on our business operations, as well as our financial condition and results of operations; substantial regulations, which are evolving, and unfavorable changes or failure by Alliance to comply with these regulations; product liability claims, which could harm Alliance's financial condition and liquidity if Alliance is not able to successfully defend or insure against such claims; availability of additional capital to support business growth; and the inability of Alliance to develop and maintain effective internal controls.

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