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Alliance Entertainment Automates 873,000 Sq Ft Kentucky Warehouse with AutoStore™ Storage and Retrieval Technology

AutoStore Supports Order Fulfillment of 33 Million Pieces of Inventory Across More Than 485,000 SKUs

Alliance Launches New Video Showcasing the AutoStore System in Action at its Kentucky Fulfillment Center

SUNRISE, Fla.--(BUSINESS WIRE)-- **Alliance Entertainment Holding Corporation** ("Alliance Entertainment"), a distributor and wholesaler of the world's largest in stock selection of music, movies, video games, electronics, arcades, and collectibles, announced today it has partnered with AutoStore™ and Swisslog to design and install a cube-based warehouse automated storage and retrieval system (ASRS) that is now live and operational at its 873,000 square foot Kentucky warehouse.

This press release features multimedia. View the full release here:
<https://www.businesswire.com/news/home/20230105005400/en/>

AutoStore's ASRS harnesses the power of warehouse robots for 24/7 order fulfillment within a dense cubic layout that increases storage capacity and unlocks storage floorspace. The AutoStore's ASRS uses robots to travel over a surface grid and pick or dig up totes containing the product needed for orders and deliver these bins to a picking station, allowing each operator to pick into and up to 4 different orders at the same time, removing walking from the pick process. Based in Norway, AutoStore has installed over 1,000 of its systems globally with some of the world's largest brands. Swisslog, a leading global provider of automated intralogistics technologies, partnered with Alliance for the design and installation of the Company's new ASRS.



(Photo: Business Wire)

Alliance Entertainment's Shepherdsville, Kentucky warehouse fulfillment center, which has a footprint of 873,000 square feet, including 3 picking mezzanines adding an additional 220,000 square feet to the distance that needs to be covered daily for picking, sorting, packing, and shipping. The warehouse has 33 million pieces of

inventory across more than 485,000 unique in stock SKUs.

The video is available on the Alliance Entertainment website [here](#).

Alliance Entertainment's ASRS configuration includes AutoStore's latest generation B1™ robots combined with over 52,000 storage bins, (each bin is configurable and can hold up to 8 unique SKUs with a maximum weight of 66 lbs), covering 22,200 square feet of the Company's 873,000 square foot warehouse, enabling a pick rate of 2,000 lines per hour across 7 picking ports and a putaway throughput of 200 bins per hour. For additional future capacity, the ASRS has been designed to be able to add 2 additional pick-ports as well as expand the number of Putaway ports from 4 to 8 without modifying the physical frame or stopping production.

Under the terms of the contract, Alliance Entertainment executed a four-year lease for the ASRS. The AutoStore is calculated to have a 3.5 year ROI, with the majority coming from labor savings, lower training costs, reduced handling/sortation and creating capacity on sortation for other product lines and ultimately speeding up the delivery to customer.

"With our incredible growth in Vinyl shipments at our Kentucky warehouse from 8.1 million units in 2019 to 16.3 million in 2021, we needed a system that could reduce the distance walked to pick product, to store in a more compact form, and reduce the amount of labor needed to handle the product," said Warwick Goldby, SVP of Operations of Alliance Entertainment. "We now have over 3 million units and 40,000 Vinyl Record titles in inventory, including both Alliance inventory and AMPED distributed titles. In combination with the growth of shipments, since the pandemic we recognized the need to shift toward larger scale automation as warehouses have had to adapt to the challenge of staffing and executing the workload with limited resources in ever tightening delivery time frames.

"The AutoStore is product agnostic, and in our current phase we are first focusing on Vinyl records and improving our processes. However, the AutoStore can be configured for any of the products we carry in the warehouse currently and in the future that would fit the bin. This allows us to grow into other product lines and use the same storage configuration. The location and design of the AutoStore was with the forethought of being able to expand its

capacity in the future to allow for more bins if needed with minimal impact on daily operations. The AutoStore allows Alliance to reimagine how product flows in our warehouse, change existing processes, and can create capacity for picking and sorting by doing things differently. We are pleased with the launch of the system and its impact on efficiency, cost, and our capacity for future growth,” concluded Goldby.

About AutoStore

AutoStore™, founded in 1996, is a warehouse robot technology company that invented and continues to pioneer cube storage automation, the densest order-fulfillment solution in existence. Our focus is to marry software and hardware with human abilities to create the future of warehousing. AutoStore is global, with over 1,000+ systems in 46 countries in a wide range of industries. All sales are distributed, designed, installed, and serviced by a network of qualified system integrators referred to as "partners." The headquarter is in Nedre Vats, Norway, with offices in Oslo (Norway), the U.S., U.K., Germany, France, Spain, Italy, Austria, South Korea, Japan, and Singapore.

The AutoStore System consists of an Aluminum Grid, Robots, Bins, Ports, and a Controller. The stacked Bins are arranged in a Grid. Robots ride on rails along the top of the Grid, retrieving Bins as needed. The Bins are then delivered to a Port, where warehouse operators are stationed to pick up or fill in products, tag, pack and send them out. A Controller acts as the brain behind the whole operation. For more information visit www.autostoresystem.com.

About Swisslog

Swisslog designs, develops, and delivers best-in-class automation solutions. Headquartered in Buchs/Aarau, Switzerland, Swisslog is organized into two business units, Healthcare and Logistics Automation, that design, develop, and deliver best-in-class automation solutions for forward-thinking health systems, supply chain operations, and production facilities. Customers benefit from integrated systems and services from a single source – from consulting to design, implementation, and lifetime customer support. Swisslog is a member of the KUKA Group, a leading global supplier of intelligent automation solutions. For more information visit www.swisslog.com.

About Alliance Entertainment

Alliance Entertainment is a premier distributor of music, movies, and consumer electronics. We offer over 485,000 unique in stock SKUs, 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.

On June 23, 2022, Alliance Entertainment announced that it will become publicly listed through a merger transaction with Adara Acquisition Corp. (NYSE: ADRA, ADRA.U, ADRA.WS) (“Adara”), a publicly traded special purpose acquisition company. The

transaction is expected to close in the fourth quarter of 2022, at which point the combined company's common stock is expected to trade on the NYSE American under the ticker symbol "AENT".

About Adara Acquisition Corp.

Adara raised \$115 million in February 2021 and its securities are listed on the NYSE American under the ticker symbols "NYSE: ADRA, ADRA.U, ADRA.WS". Adara is a blank check company organized for the purpose of effecting a merger, share exchange, asset acquisition, stock purchase, recapitalization, reorganization, or other similar business combination with one or more businesses or entities. Adara is led by its CEO, Thomas Finke (former Chairman and CEO of Barings LLC) and its director, W. Tom Donaldson (founder of Blystone & Donaldson). In addition to Messrs. Finke and Donaldson, Adara's Board of Directors also include Frank Quintero, Dylan Glenn and Beatriz Acevedo-Greiff.

To learn more, please visit: www.adaraspac.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 financial and performance metrics, projections of market opportunity, expectations and timing related to Alliance Entertainment's business, customer growth and other business milestones, potential benefits of the proposed business combination (the "Proposed Transactions"), and expectations related to the timing of the Proposed Transactions.

These statements are based on various assumptions, whether or not identified in this press release, and on the current expectations of Adara's and Alliance Entertainment'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 Entertainment and Adara.

These forward-looking statements are subject to a number of risks and uncertainties, including changes in domestic and foreign business, market, financial, political, and legal conditions; the inability of the parties to successfully or timely consummate the Proposed Transactions, including the risk that any regulatory approvals are not obtained, are delayed or are subject to unanticipated conditions that could adversely affect the combined company or the expected benefits of the Proposed Transactions or that the approval of the stockholders of Adara or Alliance Entertainment is not obtained; failure to realize the anticipated benefits of the Proposed Transactions; risks relating to the uncertainty of the projected financial information with respect to Alliance Entertainment; risks related to the

music, video, gaming, and entertainment industry, including changes in entertainment delivery formats; global economic conditions; the effects of competition on Alliance Entertainment's future business; risks related to fulfillment network; risks related to expansion and the strain on Alliance Entertainment's management, operational, financial, and other resources; risks related to operating results and growth rate; the business could be harmed the amount of redemption requests made by Adara's public stockholders; and those factors discussed in Adara's Annual Report on Form 10-K for the fiscal year ended December 31, 2021 under the heading "Risk Factors," and the Current Report on Form 8-K filed on June 23, 2022 and other documents of Adara filed, or to be filed, with the SEC.

No Offer or Solicitation

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of any securities in any state or jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of such other jurisdiction.

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