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If the Proposed Business Combination is pursued, Adara intends to file with the Securities and Exchange Commission ("SEC") a registration statement on Form S-4 containing a preliminary proxy statement and a preliminary prospectus of Adara, and, after the registration statement is declared effective, Adara will mail a definitive proxy statement/prospectus relating to the Proposed Business Combination to its stockholders. Shareholders and other interested persons are urged to read the preliminary proxy statement/prospectus and the amendments thereto and the definitive proxy statement/prospectus and any other relevant documents filed with the SEC when they become available because they will contain important information about Adara, Alliance and the Proposed Business Combination. When available, the definitive proxy statement/prospectus and other relevant materials for the Proposed Business Combination will be mailed to stockholders of Adara as of a record date to be established for voting on the Proposed Business Combination. Shareholders will also be able to obtain free copies of the preliminary proxy statement/prospectus, the definitive proxy statement/prospectus and other documents filed with the SEC, once available, without charge, at the SEC's website located at [www.sec.gov](http://www.sec.gov), or by directing a request to Adara Acquisition Corp., 211 East Blvd., Charlotte, North Carolina 28203. Adara, Alliance and their directors and executive officers and other persons may be deemed to be participants in the solicitations of proxies from Adara's shareholders in respect of the Proposed Business Combination and the other matters set forth in the registration statement. Information regarding Adara's directors and executive officers is available under the heading "Management" in its final prospectus relating to its initial public offering dated February 3, 2021 which was filed with the SEC and is available free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov), or by directing a request to Adara Acquisition Corp., 211 East Blvd., Charlotte, North Carolina 28203. Additional information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus relating to the Proposed Business Combination when it becomes available.

#### Forward Looking Statements

Certain statements included in this Presentation 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 Presentation, and on the current expectations of Adara and 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 Adara and Alliance. 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 Business Combination, 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 Business Combination or that the approval of the stockholders of Adara or Alliance is not obtained; failure to realize the anticipated benefits of the Proposed Business Combination; risks related to the rollout of Alliance's business and the timing of expected business milestones; the effects of competition on Alliance's future business; failure to realize the anticipated benefits of the Proposed Business Combination; the effects of competition on Alliance's future business; the effects of competition on Alliance's future business; the inability to complete the Proposed Business Combination, including due to failure to obtain approval of the Adara stockholders; the amount of redemption requests made by Adara's stockholders; the ability of Alliance or the combined company to issue equity or equity-linked securities or obtain debt financing in connection with the Proposed Business Combination or in the future, and those factors discussed in Adara's final prospectus dated February 8, 2021 under the heading "Risk Factors," and other documents of Adara filed, or to be filed, with the SEC.



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## Legal Disclaimer - Continued

Additional risks related to Alliance's business in particular include, but are not limited to the risk that the Proposed Business Combination disrupts current Alliance business plans and operations as a result of the announcement and consummation of the Proposed Business Combination; the inability to recognize the anticipated benefits of the Proposed Business Combination, which may be affected by, among other things, competition, the ability of the combined Alliance to grow and manage growth profitably; the ability of Alliance to maintain relationships with customers and suppliers and retain key employees; costs related to the Proposed Business Combination; changes in the applicable laws or regulations; the possibility that the combined company may be adversely affected by other economic, business, and/or competitive factors; the impact of the global COVID-19 pandemic; are subject to a number of risks and uncertainties that could cause actual results to differ from those contained in the forward-looking statements. Such risk factors also include, among others, future growth expectations and acquisitions; specific economic conditions in the United States; changes in laws and regulations; potential liability from future litigation; the diversion of management time on acquisitions and integration related issues; modifications or adjustments to Alliance's financial statements as a result of applicable securities laws; and general economic conditions. In addition, there will be risks and uncertainties described in the registration statement on Form S-4 relating to the Proposed Business Combination, which is expected to be filed by Adara or Alliance and its affiliates with the SEC and other documents filed by Adara or Alliance or its affiliates from time to time with the SEC. These filings will identify and address other important risks and uncertainties that could cause actual events and results to differ materially from expected results contained in the forward-looking statements. Most of these factors are outside Alliance's and Adara's control and are difficult to predict.

### Financial Information; Non-GAAP Financial Measures

The financial information and data contained in this Presentation is unaudited and does not conform to Regulation S-X. Accordingly, such information and data may not be included in, may be adjusted in, or may be presented differently in, any proxy statement/prospectus or registration statement or other report or document to be filed or furnished by Adara with the SEC. Some of the financial information and data contained in this Presentation, such as [adjusted EBITDA, EBITDA, CapEx and EBITDA], has not been prepared in accordance with United States generally accepted accounting principles ("GAAP"). Adara and Alliance believe these non-GAAP measures of financial results provide useful information to management and investors regarding certain financial and business trends relating to Alliance's financial condition and results of operations. Alliance's management uses these non-GAAP measures for trend analysis, for purposes of determining management incentive compensation, and for budgeting and planning purposes.

Adara and Alliance believe that the use of these non-GAAP financial measures provides an additional tool for investors to use in evaluating operating results and trends in and in comparing Alliance's financial measures with other similar companies, many of which present similar non-GAAP financial measures to investors. Management does not consider these non-GAAP measures in isolation or as an alternative to financial measures determined in accordance with GAAP. The principal limitation of these non-GAAP financial measures is that they exclude significant expenses and income that are required by GAAP to be recorded in Alliance's financial statements. In addition, they are subject to inherent limitations as they reflect the exercise of judgments by management about which expense and income are excluded or included in determining these non-GAAP financial measures. In order to compensate for these limitations, management presents non-GAAP financial measures in connection with GAAP results. You should review Alliance's audited financial statements, which will be included in the registration statement and proxy statement to be filed with the SEC.

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The information contained herein is as of March 23, 2022, and does not reflect any subsequent events.

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## Overview

Alliance is a \$1.4 Billion leading Direct-to-Consumer (DTC) and eCommerce provider for the entertainment industry  
We are the gateway between brands and retailers



## Expansion Plans

Alliance expects to expand and diversify by adding brands and retail partnerships

Alliance is the conduit for leading brands to reach Alliance's current customer base, while helping Omni-Channel Retailers expand their product selection and fulfillment goals.

Alliance is the retailers' back office for in store and eCommerce solutions. All Electronic Data Interchange (EDI) and logistics are operational and ready for existing retail channels to add new products.

Alliance's goal has always been to provide all the meta-data of content & images, service, selection, and purchasing to Omni-Channel retailers to expand their selection to compete with the leading on-line Retailer.

Acquire & Consolidate  
Synergize  
Create Value



## Leadership History

Since 2001 Bruce Ogilvie and Jeff Walker have shared the leadership duties of Alliance Entertainment, with Jeff overseeing sales, finance, purchasing and administration; and Bruce overseeing warehouse and technology operations. Together they have set the strategy for executing on multiple acquisitions including acquiring Alliance Entertainment in 2013, creating a packaged media distribution company. Since the Alliance acquisition, Bruce and Jeff have anticipated and executed on emerging trends in the industry building Alliance into the largest physical media and entertainment product distributor in the world, and a leader in fulfillment and eCommerce distribution solutions.

### Alliance Management Team

Bruce Ogilvie and Jeff Walker have distinguished themselves as innovators and expert consolidators, first in the physical media sector and now in the fulfillment and eCommerce distribution solutions space. **As the sole owners of Alliance Entertainment, Bruce and Jeff are rolling over 100% of the ownership interests.**



#### BRUCE OGILVIE Chairman

Bruce has spent his entire career in the entertainment distribution industry starting with the founding of Abbey Road Distributors in 1980. Over the next 14 years, Bruce led Abbey Road's growth to over \$94 million in sales and successfully sold the business in 1994. In 1995, Bruce was awarded E&Y's Distribution Entrepreneur of the Year Award for his work with Abbey Road. Armed with start-up experience, a successful exit, and street-level distribution knowledge, in 1996, Bruce was selected by a bank group to turn around the 600-store chain, Warehouse Records. Under Bruce's leadership Warehouse emerged from bankruptcy within nine months and was sold to Cerberus Capital. Following his success with Warehouse Records, Bruce bought a one-third interest in Super D in 2001 and assumed the role as CEO, joining with founders Jeff Walker and David Hurwitz. Bruce became the Chairman in 2013 after the merger of Super D and Alliance Entertainment.



#### JEFF WALKER Chief Executive Officer

After earning a degree in Economics from UC Irvine, Jeff Walker and David Hurwitz founded the CD Listening Bar in 1990, a retail music store. A few years later, Jeff and David started wholesaling CDs from the back of the store, beginning the journey to create Super D, a music wholesaler founded in 1995. In 2001 Jeff and David Hurwitz sold a third of Super D to Bruce Ogilvie. Over the next decade, Bruce and Jeff continued to grow Super D's presence in the music wholesaling space, culminating with the acquisition of Alliance Entertainment in 2013. Upon the closing of the Alliance acquisition, Bruce became the CEO of the combined company. In 2016, Jeff was awarded E&Y's Distribution Entrepreneur of the Year award in Orange County.

■ **ALAN TUCHMAN**  
Director

■ **JOERHAK**  
COKEM COO

■ **PAUL BEBLER**  
COKEM Chairman

■ **MICHAEL PRENTICE**  
CIO

■ **JOHN KUTCH**  
CFO

■ **WARWICK GOLDBY**  
VP Distribution Operations



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## Growth History



## Investment Thesis

Alliance is one of the largest physical media and entertainment product distributors in the world and is a leader in fulfillment and eCommerce distribution solutions. Its existing product and service offering has positioned the Company to capitalize on shifts towards eCommerce and Omni-Channel strategies, especially with retailers and manufacturers vastly increased reliance on their DTC fulfillment and distribution partners.



### MANAGEMENT EXPERIENCE & ROLLOVER

With 30+ years of experience, Alliance management has extensive knowledge and is rolling over all of their equity in preparation to lead the Company towards future growth.



### INDUSTRY LEADING MARKET SHARE

Alliance is a leader in fulfillment and eCommerce distribution.



### ORGANIC GROWTH OPPORTUNITIES

Through the expansion of partnerships with vendors and customers as well as investment in existing facilities, Alliance expects to continue to grow revenue and expand margins.



### CONSOLIDATION OPPORTUNITIES

Alliance management has significant M&A experience to drive future growth through the acquisition of complementary businesses and competitors.



### COMPELLING VALUATION

Based on 6.2x TTM EBITDA, the equity valuation is attractive compared to similar businesses and transactions.

## **Use of Proceeds**

With a public listing, Alliance will have access to additional capital to finance future growth

### **EXECUTE ACQUISITION STRATEGY**

Alliance has a proven track record of successfully acquiring and integrating competitors and complementary businesses. With additional capital, Alliance will be able to more effectively execute on its acquisition strategy.

### **INCREASE MARKET SHARE**

Expanding its existing product and service offerings and executing its acquisition strategy will drive Alliance's efforts toward increasing market share.

### **TECHNOLOGICAL ADVANCEMENT**

Alliance will further invest in automating facilities and upgrading proprietary software.

### **ENHANCED DTC RELATIONSHIPS & CAPABILITIES**

Alliance's DTC services are in greater demand as consumer preferences shift and stress retailers' eCommerce and DTC capabilities. Enhancing DTC relationships will grow existing revenue lines and improving capabilities will generate a more attractive overall service offering.

### **EXPAND INTO NEW CONSUMER PRODUCTS**

Leveraging existing relationships, Alliance can expand into new consumer product segments, growing its product offering and providing more to its existing customer base while attracting new customers in the process.





**REVENUE<sup>1,2</sup>**  
 (\$ in millions, Fiscal Year Ends 6/30)



**ADJUSTED EBITDA<sup>1,2</sup>**  
 (\$ in millions, Fiscal Year Ends 6/30)



ADJUSTED EBITDA MARGIN	FY9A	FY20A	FY21A	For 12 Months Ended 03-31-2022
	3.5%	4.3%	5.2%	5.2%

1. 6 Months Ended 03-31-2022  
 2. A reconciliation of Adjusted EBITDA to GAAP Net Income is provided on Exhibit 1  
 3. The 6.2x EBITDA multiple is based on TTM EBITDA, excluding Capital Expenditures (as of 03-31-2022) as set forth in Alliance's financing compliance certificate.

## Transaction Overview

### SOURCES

SPAC in Trust <sup>4</sup>	\$16,500,000
Seller Rollover Equity	\$475,000,000
<b>Total Sources</b>	<b>\$591,500,000</b>

### USES

Cash to Surviving Company Balance Sheet	\$108,500,000
Seller Rollover Equity	\$475,000,000
Transaction Expenses	\$8,025,000
<b>Total Uses</b>	<b>\$591,500,000</b>

### PRO FORMA CAPITALIZATION @ \$10.10 PER SHARE<sup>1</sup>

SPAC in Trust	\$16,500,000
Seller Rollover Equity	\$497,500,000
<b>Total Sources</b>	<b>\$613,650,000</b>

1. Up to 60 million shares of contingent common stock to be issued to Alliance stockholders in connection with the business combination; contingent stock is issued in three tranches when publicly traded stock prices reach \$20, \$30 and \$50 per share, and under a variety of conditions and amounts. Does not include shares issuable upon exercise of Adara Warrants or shares issuable under equity plan to be implemented upon closing.
2. 47.5M Shares does not include 500K to employees pursuant to adopted employee equity plan.
3. Excludes 5.75 million public warrants, 4.2 million sponsor warrants, and 50,000 underwriter warrants.
4. Assumes no redemptions.
5. Reflects a forfeiture of 475,000 sponsor shares and includes an additional 500,000 shares which may be forfeited by sponsor in Alliance's sole discretion.

## Pro Forma Ownership



- \$108.5 million in cash on balance sheet after closing
- \$479.75 million pre-money valuation



## Alliance provides traditional retailers with world class eCommerce abilities, leveling the playing field

Alliance has specialized in providing superior:



### SERVICE

Product and eCommerce distribution and inventory solutions



### SELECTION

One of the largest physical media and entertainment product distributors



### TECHNOLOGY

State-of-the-art systems and facilities

## Service

### Alliance provides efficient, Omni-Channel expansion solutions for retailers

#### eCommerce & DTC

Alliance provides a full, enterprise-level infrastructure and drop ships orders directly to consumers on behalf of its customers. The entire ordering, confirmation and invoicing process is automated. The functionality allows customers to focus on sales while Alliance performs all stocking, warehousing and shipping functions.

#### Vendor Managed Inventory

Alliance is a leader in vendor managed inventory (VMI) solutions providing solutions tailored to customers to support their inventory needs. These value-add services provide a highly technical, critical business function for partners.

END-TO-END  
ECOMMERCE  
SOLUTION

AUTOMATED DTC  
PROCESS

OMNI-CHANNEL  
STRATEGY  
SUPPORT

INVENTORY &  
CATEGORY  
MANAGEMENT  
SYSTEMS

MERCHANDISING  
SERVICES &  
IN-STORE  
OPERATIONS

INVENTORY &  
PRODUCT  
PLACEMENT



## Selection

Alliance consolidates and distributes a vast portfolio of entertainment products, while its proprietary database powers retailers' online music and gaming offerings



## Sales by Configuration



(in thousands)

Sales by Configuration	March 31, 2022		March 31, 2021	
Gaming	476,092	41.3%	393,372	38.9%
Vinyl	249,544	21.6%	207,950	20.6%
DVD/Blu-ray/UltraHD	219,104	19.0%	223,719	22.1%
CD	119,686	10.4%	108,733	10.8%
Consumer Products	44,988	3.9%	30,043	3.0%
Freight	16,720	1.5%	17,126	1.7%
3PL Fees	13,540	1.2%	13,032	1.3%
Digital Downloads	6,357	0.6%	5,483	0.5%
<b>Grand Total</b>	<b>1,152,782</b>	<b>100%</b>	<b>1,010,786</b>	<b>100%</b>

(\$ in Thousands)

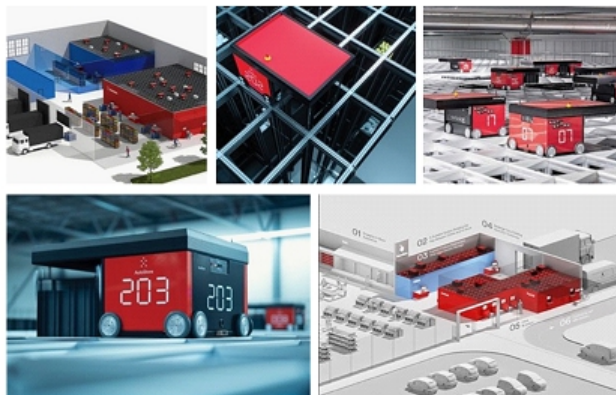
Sales by Configuration	FY21		FY20	
Gaming	\$498,340	37.6%	\$ 109,038	14.0%
DVD/Blu-ray/UltraHD	\$282,786	21.4%	\$ 279,802	36.0%
Vinyl	\$288,284	21.8%	\$ 158,758	20.4%
CD	\$146,947	11.1%	\$ 169,403	21.8%
Consumer Products	\$59,694	4.5%	\$ 16,837	2.2%
3PL Fees	\$17,460	1.3%	\$ 17,430	2.2%
Digital Downloads	\$8,191	0.6%	\$ 5,967	0.8%
Freight	\$22,260	1.7%	\$ 19,138	2.5%
<b>Total</b>	<b>\$1,323,962</b>	<b>100.0%</b>	<b>776,373</b>	<b>100.0%</b>

## Technology

Alliance is investing in enhancements to its automated handling equipment capable of reducing shipping times, streamlining order processing, and improving overall warehouse management.

### AutoStore Automated Storage & Retrieval System

In 2021, Alliance initiated installation of an AutoStore Automated Storage & Retrieval System (ASRS) for its Shepherdsville warehouse. This system will dramatically improve Alliance's warehouse operations, allowing the Company to achieve increased levels of speed, reliability, capacity, and precision, resulting in significant cost savings.



Click Icon Below For Video



Increased Storage Capacity

Drive Future Savings

Improved Energy Efficiency

24/7 Access

## Strategically Located Operations

Through its highly skilled workforce and tech enabled facilities, Alliance has established a strong fulfillment and distribution infrastructure that allows the Company to achieve industry leading speed and accuracy metrics.



**Shepherdsville, KY**  
873K Sqft Facility



**Shakopee, MN**  
220K Sqft Facility



Click icons  
for Videos



### Distribution Center

- Shepherdsville, KY
- Shakopee, MN
- Dallas, TX
- Los Angeles, CA
- Charlotte, NC

### Offices

- Bentonville, AR
- Itasca, IL
- Irvine, CA
- Sacramento, CA
- El Segundo, CA
- Minneapolis, MN
- Shepherdsville, KY
- Sunrise, FL

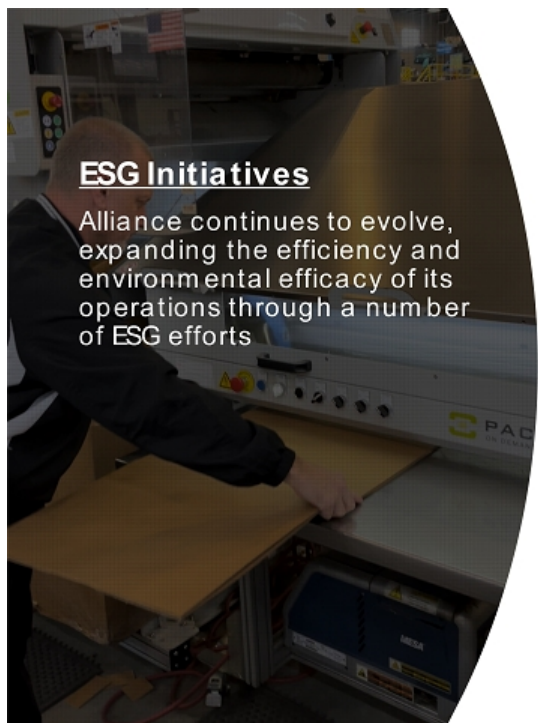


## Income Statement

	For Nine Months Ended		Fiscal Year		
	03-31-2021	03-31-2022	06-30-2019	06-30-2020	06-30-2021
(\$ in 000's)					
Revenue	\$1012,998	\$1,022,898	\$746,029	\$775,596	\$1,023,667
YoY Revenue Growth %	67.78%	4.0%		3.89%	70.65%
Cost of Goods Sold	872,760	998,288	637,970	656,488	1,140,885
Gross Profit	\$140,238	\$224,610	\$108,059	\$119,108	\$82,782
Gross Profit %	13.8%	22.0%	14.5%	15.4%	8.1%
<b>Operating Expenses:</b>					
Distribution and Fulfillment Expense	42,732	48,951	37,221	35,877	56,885
Selling, General and Administrative	42,321	44,364	46,929	50,007	57,250
<b>Total Operating Expenses</b>	<b>85,053</b>	<b>93,325</b>	<b>84,050</b>	<b>85,884</b>	<b>114,135</b>
	8.4%	9.1%	11.3%	11.1%	11.2%
<b>Non-Operating Expenses:</b>					
Depreciation	4,378	2,458	6,232	7,024	5,623
Amortization	4,521	3,872	7,851	8,660	6,028
Interest Expense	2,308	2,740	6,850	3,524	2,938
IC-DISC Commissions	3,899	8,016	7,050	8,182	5,394
Income Taxes (Benefits)	8,168	10,497	2,415	376	10,791
Gain/Loss on Disposal of PPE & FX Currency	40	-	(33)	38	72
Mergers & Acquisition Fees	3,509	(250)	4	-	3,509
<b>Total Non-Operating Expenses</b>	<b>28,921</b>	<b>27,330</b>	<b>30,369</b>	<b>28,684</b>	<b>34,355</b>
	2.9%	2.7%	4.1%	3.7%	3.4%
<b>Operating Earnings</b>	<b>\$52,185</b>	<b>\$60,576</b>	<b>\$24,509</b>	<b>\$33,227</b>	<b>\$68,447</b>
Operating Profit %	5.1%	5.9%	3.3%	4.3%	6.7%

## Balance Sheet

	Pro Forma 3-31-2022 Reviewed Post Transaction	Reviewed As of 03-31-2022	Audited As of 06-30-2021
(\$ in 000's)			
<b>ASSETS</b>			
Cash and Equivalents	10,607	1,482	4,028
Accounts Receivable - Trade	16,701	16,701	11,332
Inventory	249,773	249,773	1,1861
Other Current Assets	8,659	8,659	8,761
Net PP&E & Operating Lease Right-Of-Use Assets	26,252	26,252	18,989
Net Intangible Assets	20,055	20,055	23,927
Net Goodwill	79,903	79,903	79,903
Total Other Assets	4,007	4,007	361
<b>Total Assets</b>	<b>\$65,958</b>	<b>\$506,833</b>	<b>\$388,982</b>
<b>LIABILITIES</b>			
Accounts Payable	222,687	222,687	227,887
Line of Credit	13,679	13,679	53,580
Other Current Liabilities	1,148	1,148	10,718
Non-Current Liabilities	25,000	25,000	18,475
<b>Total Liabilities</b>	<b>392,514</b>	<b>392,514</b>	<b>308,660</b>
<b>EQUITY</b>	<b>223,444</b>	<b>114,319</b>	<b>80,302</b>
<b>Total Liabilities and Equity</b>	<b>\$65,958</b>	<b>\$506,833</b>	<b>\$388,982</b>



**ENVIRONMENTAL INITIATIVES**

Alliance has introduced eco-friendly CDF packaging, implemented paperless pick, pack and ship processes, and plans to reduce emissions with its new AutoStore ASRS system.



**DIVERSITY & INCLUSION EFFORTS**

Creating and sustaining a diverse and inclusive working environment is a critical component of Alliance's core values.



**DEDICATION TO SAFETY**

Workplace safety is a priority for Alliance having implemented numerous measures to minimize accidents within the workplace.



**Project Gigaton**

Alliance participates in Walmart's Project Gigaton. This project seeks to remove one billion metric tons (a gigaton) of greenhouse gases from the global value chain by 2030. Click the icon for more information.

## **Summary**

Alliance is one of the largest physical media companies in the Entertainment industry and is a leader in fulfillment and eCommerce distribution for the largest Omni-Channel retailers.

### **MANAGEMENT EXPERIENCE**

Management has a proven track record of acquiring and integrating companies, significantly growing both revenue and earnings in the process.

### **100% MANAGEMENT ROLLOVER**

Management is rolling 100% of their ownership into the transaction, maximizing cash on the balance sheet to fund growth.

### **COMPELLING VALUATION**

At \$479.75 million pre-money equity value (based on 6.2x TTM Adjusted EBITDA) Alliance is attractive compared to similar businesses and transaction.

As a public company with strong cash flow and over \$10 million of cash, Alliance is well positioned to grow through acquisitions, enhance DTC relationships, and expand product offerings.



## Adara Acquisition Corp.

Adara Acquisition Corp. (NYSE: ADRA), was formed to seek a target in the high-growth middle market. The management team, chosen from diverse backgrounds, have one common trait:

*A Reputation for identifying and closing acquisitions of top high-growth business, and helping those businesses achieve scale to actualize their growth potential*

Adara's selection process centered on finding a target with:

- Strong Management Team*
- 
- Proven Revenues & Earnings Growth*
- 
- Compelling Business Strategy*

### Adara Leadership Team



**Tom Finke**

**Chairman & CEO**

Director, INVECO Board Member  
NYSE: IVZ  
Former Chairman & CEO, Baring's  
COO & EVP, MassMutual  
Duke University MBA  
University of Virginia



**Tom Donaldson**

**Director**

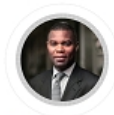
Managing Partner & Founder,  
Blystone & Donaldson  
Former Senior Executive, Investors  
Management Corporation  
Partner, McGuire Woods  
Widanov University JD  
& MBA  
North Carolina State University



**Beatriz Acevedo**

**Director**

CEO & Founding Partner, Sama  
Wealth  
Partner,  
9th Wonder Agency  
Founding Partner, Acevedo  
Foundation  
University of California  
San Diego



**Dylan Glenn**

**Director**

Senior Director, Etridge  
Former CEO, KBRO Americas  
Senior Managing Director  
Guggenheim Partners  
Special Assistant to President  
George W. Bush  
Davidson College



**Frank Quintero**

**Director**

Principal, Yucapa Companies  
Special Assistant to California  
Governor Gray Davis  
Board Member, BioSg Technologies  
NASDAQ: BSGM  
University of California Los Angeles

**Exhibit 1****Reconciliation of  
Adjusted EBITDA to  
GAAP Net Income <sup>1</sup>**

(\$ in 000's)	For Nine Months Ended	For Nine Months Ended	Fiscal Year		For 12 Months Ended	
	03-31-2021	03-31-2022	06-30-2019	06-30-2020	06-30-2021	03-31-2022
Operating Earnings Before Depreciation & Amortization	\$52,786	\$60,576	\$24,509	\$33,227	\$68,547	\$76,359
Net Income/(Loss) Per GAAP	\$26,865	\$33,246	\$(5,861)	\$5,044	\$34,194	\$37,828
Adj. EBITDA Calculation:						
Net Income/Loss per GAAP	26,865	33,246	(5,861)	5,044	34,194	37,828
Depreciation	4,378	2,458	8,232	7,24	5,623	3,703
Amortization	4,521	3,872	8,841	8,887	6,028	5,379
Interest Expense	2,306	2,740	8,850	3,524	2,938	3,372
IC-DISC Commissions	3,999	8,104	7,850	8,182	5,394	8,011
Income Taxes (Benefits)	8,168	10,497	2,415	376	10,791	12,417
Gain/Loss Disposal of PPE	40	-	(33)	318	72	47
Mergers & Acquisition Fees	3,509	(251)	4	-	3,509	(251)
<b>Adjusted EBITDA</b>	<b>\$52,786</b>	<b>\$60,576</b>	<b>\$24,509</b>	<b>\$33,227</b>	<b>\$68,547</b>	<b>\$76,359</b>

<sup>1</sup> Mergers & Acquisition Fees related to the proposed transaction are not included.

**Exhibit 2****Consolidated  
Statement of  
Cash Flows<sup>1</sup>**

(\$ in 000's)	Year Ended June 30, 2021	Year Ended June 30, 2020	Year Ended June 30, 2019
<b>Cash Flows from Operating Activities</b>			
Net Income (Loss)	\$34,476	\$5,362	\$(5,894)
Adjustments to Reconcile Net Income			
Cash provided by (Used In) Operating Activities			
Depreciation of Property and Equipment	5,623	7,924	6,232
Amortization of Intangible Assets	5,772	8,860	7,851
Amortization of Deferred Financing Costs (Included in Interest)	334	358	358
Payment-in-Kind, Interest			2,600
Bad Debt Expense (Reversal)	225	\$5	(88)
Deferred Income Taxes	1543	1286	2,95
Loss on Disposal of Fixed Assets	87	-	-
Changes in Assets and Liabilities, Net of Acquisitions			
Trade Receivables	8,053	5,584	(8,988)
Related Party Receivable	57	(1633)	-
Inventory	(8,67)	35,821	2,589
Income Taxes Payable/Receivable	4,453	(1,07)	1733
Operating Lease Right-Of-Use Assets	(87)	3,37	(11,978)
Operating Lease Obligations	654	(3,284)	5,58
Other Assets	1980	3,228	1087
Accounts Payable	8,686	(38,761)	(11,05)
Accrued Expenses	2,395	(8,560)	(2,602)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>\$74,716</b>	<b>\$27,391</b>	<b>\$(5,224)</b>

<sup>1</sup> Differences in Net Income (Loss) figures from Exhibit 2 are due to currency conversion. Net Income (Loss) figures above are pre currency conversion.