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CARDINAL CYCLING GROUP SELLS DETROIT BIKES BRAND TO BEACON MANUFACTURING

The sale of the Detroit Bikes brand & legacy with a slice of end-to-end manufacturing assets maintains Detroit as a bicycle and eMobility manufacturing hub.

Detroit, MI and **Spartanburg County, SC**— Cardinal Cycling Group announces the sale of Detroit Bikes to Beacon Manufacturing. Detroit Bikes, manufacturing bicycles and micro-mobility products in Detroit since 2011, will relocate to Newlab at Michigan Central where in-house and 3rd party manufacturing and assembly will continue.

Detroit Bikes, founded in 2011 and acquired by Cardinal Cycling in 2021, is the largest, end-to-end bicycle manufacturing facility in the United States. Already offering original equipment manufacturing (OEM) and high-volume bicycle assembly services for various brands, this acquisition by Beacon will facilitate micro-mobility companies relocating manufacturing and assembly to Detroit.

Cardinal Cycling Group, owner of TIME Bicycles, will move the Detroit Bikes inventory to its Spartanburg County, SC manufacturing facility and begin an inventory liquidation process. Approximately 500 complete bicycles and \$500k worth of new components and raw materials will be liquidated. Interested parties should reach out to info@cardinal.cc for further information. “Our goal is to get the remaining inventory into the right hands of major metro urban bicycles dealers, college / university-based dealers, or rental companies,” says Tony Karklins, CEO of Cardinal Cycling Group.

The current Detroit Bikes frame manufacturing and bicycle assembly capabilities will be repositioned between Cardinal’s new facility in Spartanburg County, SC, and Beacon in Detroit. Cardinal will seek partners to rent the complete steel frame manufacturing infrastructure “as a service” or purchase it outright both with the option of using space inside of Cardinal’s high-end bicycle manufacturing and logistics facility. Cardinal will leverage the material handling,

machining, and bicycle assembly assets for expanded carbon fiber bicycle production and to support 3rd party bicycle and eBike brands with USA assembly and logistics services.

With TIME Bicycles, Boyd Cycling, and Munich Composites already inside of Cardinal's SC facility, Cardinal is working with Spartanburg County and the State of South Carolina to extend their cluster of bicycle manufacturing and specialty logistics firms building additional scale and capabilities for the global bicycle industry. Beacon will augment its capabilities with the advanced manufacturing tooling at NewLab at Michigan Central. Cardinal and Beacon plan to partner going forward for joint delivery in support of large clients.

Beacon will ensure job security for current Detroit Bikes employees throughout the transition, led by the current General Manager, Gary Thornton, who will stay on with Beacon as the CEO. The Detroit Bikes brand will be relaunched and continue to offer best-in-class support to customers during the transition. Beacon is also working closely with the Michigan Economic Development Corporation, Michigan Central and other industry partners to create a workforce training program to respond to growth. This will provide training for the additional jobs created by Beacon, as well as expand the skillsets of current employees. The Cardinal Cycling and Beacon Manufacturing initiatives are indicative of the growth story of bicycle and eMobility manufacturing in the United States.

The U.S.'s recent pivot towards revitalizing "Made in the U.S." and reshoring industries that once thrived on U.S. soil positions Cardinal Cycling Group and Beacon Manufacturing at the forefront of US bicycle manufacturing. Approximately one million electric bikes and numerous other light electric vehicles were sold in the US in 2022. However, the U.S. currently relies on China and Taiwan for over 70 percent of both electric and carbon fiber bicycle production resulting in a seismic missed economic opportunity, a loss of domestic job creation and relinquished control over critical facets of the industry such as shipping and environmental impact. With the pending June 14th increase in import duties for many bicycle and mobility products, the ability to execute final assembly and OEM manufacturing is a near-term requirement for bicycle and eMobility brands operating in the US Market.

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