

## News Release

### Advanced Sports Enterprises files for Chapter 11

November 16, 2018

Chapel Hill, NC – Advanced Sports Enterprises, Inc. (ASE) today announced that the company has taken action to restructure and better position itself for future success by filing voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code. The move is intended to facilitate the company's long-term, strategic goals of enhancing profitability and reaffirming its commitment to its employees, vendors and the communities it serves.

"We've taken a lot of steps to right the business over the past 27 months," said Patrick J. Cunnane, ASE's President and CEO. "We have conducted an extensive review of alternatives and believe pursuing a restructuring through Chapter 11 is the best path forward to ensure ASE's long-term success. We are thankful for the continued support of our dedicated employees, valued customers, vendors and business partners as we navigate this process, and look forward to becoming a stronger company in the coming months as a buyer / investor for the business is found."

ASE, parent company to bicycle brands Fuji, Kestrel, SE, Breezer Bikes and Tuesday Cycles as well as retail brands Performance Bicycle and Bike Nashbar, was formed in August 2016 when Advanced Sports International (ASI) merged with Performance Bicycle.

Since that time, the business has seen some highs and lows. "SE Bikes is definitely one of the shining stars in our brand group," said Cunnane. "Demand for urban BMX bikes has outpaced our factory's ability to produce them. It's a great problem to have. And we thank our retailers for supporting the business and for making

this enormous growth possible.”

Cunnane, who still believes in the business model which combines design, manufacturing, and retail as both viable and strong in the current market as well its future. Sales of Fuji Bikes, Kestrel Bicycles, Breezer Bikes, and Tuesday Cycles are also steady with new product lines being introduced each model year. On the retail side, ASE has faced challenges increasing profits and improving sales since its acquisition of its retail operations.

With regards to how the business will proceed Cunnane said, “While ASE is undergoing the Chapter 11 process, we will continue with business as usual; orders will be fulfilled and Performance Bicycle stores will continue operating. Until the process of reorganizing our company before a bankruptcy court with counsel from Clear Thinking Group and Gordon Brothers is complete, I’m unable to announce any further actions. Employee layoffs and store closings are inevitable, but at this time I do not have enough information to announce those plans. My goal is to continue to work through this process and keep our business intact. My vision for ASE is to become a profitable, vertically integrated, omnichannel bicycle manufacturer, wholesaler and retailer.”

Cunnane firmly believes the business will emerge from this process with strong momentum stating, “Once a committed buyer has been found I expect our brands and sales to prosper by providing our customers with the high-quality services and products they are accustomed to receiving from us.”

## About Advanced Sports Enterprises

Advanced Sports Enterprises (ASE) is an American corporation located in Philadelphia, PA that designs, markets and sells premium bicycle brands through a

distribution network that reaches 80 markets around the globe. ASE operates with two distinct divisions, a wholesale arm, Advanced Sports International and a retail arm, Performance Bicycle. ASE owns bicycle brands Fuji Bikes, SE Bikes, Kestrel Bicycles, Breezer Bikes, Tuesday Cycles; retail brands Performance and Nashbar; and components, parts and accessories' brands Oval Concepts, Forte and Spin Doctor. For more information about Advanced Sports Enterprises, please visit [advancedsportsenterprises.com](http://advancedsportsenterprises.com).