

RYU Apparel Reports Fourth Quarter and 2016 Year End Results

VANCOUVER, March 30, 2017 /CNW/ - RYU Apparel Inc. (TSX VENTURE: RYU & Frankfurt Stock Exchange: RYA), creator of tailored innovation for the urban athlete, is pleased to report its financial results for its first full year of operations since relaunching the brand in November 2015.

Revenue for the year ended December 31, 2016 was \$1,367,043, 57% higher than revenue of \$869,917 during the year ended December 31, 2015. The results of the new RYU have been encouraging with continued sales growth in 2016 and generating a positive 46% gross profit percentage during the year.

This is the Company's fifth consecutive quarter of revenue growth since relaunching RYU in November 2015. Fourth quarter results include revenue from our Thurlow location which opened November 27, 2016.

In Canadian dollars	Three months ended December 31, (unaudited)		Year ended December 31, (audited)	
	2016	2015	2016	2015
Revenue	\$474,844	\$254,664	\$1,367,043	\$869,917
Gross profit (loss)	\$214,336	(\$428,933)	\$627,866	\$57,687
Gross profit (loss) %	45%	-168%	46%	7%

"Since relaunching RYU in the fourth quarter of 2015, we have had cumulative revenue of \$1,612,210 and we are extremely pleased with our 2016 annual revenue performance and our gross profit percentage of 46%. We anticipate stronger sales moving forward as we proceed with our Park Royal store opening this week and towards opening one additional store location in Vancouver and our first store location in Toronto by mid-2017," said Marcello Leone, CEO for RYU.

During 2016 the Company achieved the following milestones:

- Online revenue as a percentage of retail revenue represented 20% for the year ended December 31, 2016. In 2016 our marketing team relaunched our e-commerce site and focused on the creation of a clear and engaging visual language. In the relaunch we increased the ease of navigation and shopability of our e-commerce site. With these launches we saw a 33% quarterly increase of direct and organic traffic and growth in new visitors of 34%.
- Men and women continued to show an almost equal interest in our products with a ratio of sales of apparel between men and women of 49% to 51%.
- Three additional Hero items emerged, the Everyday Pant, the Ethos Hoodie, and the Vapor Program, joining our existing Quick Pack, Locker Pack Lux, and Trilayer Tough Tights as Hero items and core products for our athletes.
- We were nominated and awarded for three top industry awards, competing against the biggest brands in the industry:
 - Our Flagship store won the WGSN Futures Awards for Best Store, beating runners up TopShop and Primark;
 - Our Locker Pack Lux backpack was nominated in the Carryology Carry IV Awards for Best Work Backpack; and
 - Our Quick Pack Lux backpack won the Silver A'Design Award.
- We announced new business relationships with Vancouver-based fitness brand YYoga and with the Vancouver Canucks™ NHL™ hockey team. We also collaborated with Goop, a lifestyle website curated by celebrity actress Gwyneth Paltrow.
 - The new relationship with the prestigious YYoga fitness chain allows RYU to sell and promote RYU apparel to its tens of thousands of members at its various locations.
 - The new relationship with the Vancouver Canucks™ NHL™ hockey team includes awareness for RYU at every home game in Rogers arena along with TV exposure and apparel sales at the Canucks team store.
 - Our relationship with Goop included being showcased on their website and selling RYU products on consignment through Goop's e-commerce site from May to August 2016 and at their pop up shop in San Francisco, California from May 5-22, 2016. The relationship is ongoing.
- 2016 saw a significant reinforcement of RYU's capital structure to support future growth:
 - We repaid and extinguished all of our unsecured and secured term notes, loans payable, and short-term advances by paying \$1,697,000 cash and \$739,050 in common shares.

The Company is also pleased to provide the following 2017 updates:

- Our retail store expansion plan is on target to have five stores open by the end of 2017. We currently have three stores in operation and two under construction. In addition to the opening of Park Royal South this week, the first half of 2017 will see the opening of our first Toronto store on Queen Street West, and our first enclosed mall location at Metrotown in Vancouver.

Retail store expansion plan	Square Footage	Opening Date
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Existing Stores

Vancouver – West 4 th Avenue (Flagship)	3,920	November 2015
Vancouver – Thurlow Street	1,100	November 2016
Vancouver – Park Royal South	3,967	March 2017

New Stores Under Construction

Vancouver – Metrotown	2,002	Q2 2017
Toronto – Queen Street West	2,220	Q2 2017

- We continue to enhance the capital structure of RYU in 2017. On February 2, 2017 we closed a short form prospectus offering, raising gross proceeds of

\$3,734,441 for the Company.

Full details of the Company's financial performance can be obtained by viewing the annual consolidated financial statements and corresponding MD&A available on SEDAR.

For regular updates on RYU Apparel visit: <http://ryu.com>

About RYU

RYU Apparel Inc. is tailored innovation for the urban athlete. An award winning athletic apparel and accessories brand engineered for the fitness, training and performance of the multi-discipline athlete. Designed without compromise for comfort, style and durability, RYU exists to facilitate human performance. For more information, visit: <http://ryu.com>

On Behalf of the Board

RYU APPAREL INC.

"Marcello Leone"

Marcello Leone, CEO, President and Chairman of the Board

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This news release contains forward-looking information that involve various risks and uncertainties regarding future events. Such forward-looking information can include without limitation statements based on current expectations involving a number of risks and uncertainties and are not guarantees of future performance of the Company, such as statements that the Company anticipates stronger sales in the future, the expansion plan to have five stores open by the end of 2017, and the intention to open Park Royal South in Vancouver, the Toronto store on Queen Street West and the Company's first enclosed mall location in Metrotown, all within the first half of 2017. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information, including the ability of the company to finance operations, the ability of the management team to execute on its business plan, risks in the apparel industry in general, and delays and risks associated with renovating and opening new store locations. Actual results and future events could differ materially from those anticipated in such information. These and all subsequent written and oral forward-looking information are based on estimates and opinions of management on the dates they are made and are expressly qualified in their entirety by this notice. Except as required by law, the Company does not intend to update these forward-looking statements.

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