

RYU Apparel Announces Non-Brokered Private Placement

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES/

VANCOUVER, BC, Oct. 20, 2021 /CNW/ - RYU Apparel Inc. (TSXV: RYU) (OTCQB: RYPPF) (FSE: RYAA) ("**RYU**" or the "**Company**"), a creator of urban athletic apparel, is pleased to announce a non-brokered private placement of up to 7,500 convertible debenture units (each, a "**Debenture Unit**") at a price of \$1,000 per Debenture Unit for aggregate gross proceeds of up to \$7,500,000 (the "**Offering**").

The Offering replaces the previously announced \$12.5 million non-brokered private placement of debenture units set out in news releases dated August 17, 2021 and August 20, 2021.

Each Debenture Unit will consist of: (i) a \$1,000 principal amount three-year 8% unsecured debenture (each, a "**Debenture**"); and (ii) 2,000 transferrable common share purchase warrants (each, a "**Warrant**"), with each Warrant entitling the holder to acquire an additional common share (each, a "**Warrant Share**") at a price of \$0.10 per Warrant Share for a period of 3 years from the closing of the Offering (the "**Closing Date**"), subject to an acceleration provision. In the event that the common shares trade at a volume weighted average price on the TSX Venture Exchange (the "**Exchange**") (or such other exchange on which the common shares may be traded at such time) of \$0.25 or greater per common share for a period of ten (10) consecutive trading days after four months and one day from the Closing Date, the Company may accelerate the expiry of the Warrants by giving notice to the holders thereof (by disseminating a news release advising of the acceleration of the expiry date of the Warrants) and, in such case, the Warrants will expire on the tenth (10th) day after the date of such notice.

The Debentures will bear simple interest at the rate of 8% per annum, computed on the basis of a 365 day year (or in the case of a leap year, a 366 day year), calculated annually on the anniversary of the Closing Date until paid in full (the "**Interest**"). The Interest shall be payable annually until the earlier of the Maturity Date (as defined below) or the date of any conversion thereof. The principal amount of the Debentures (the "**Principal Amount**"), and any accrued but unpaid Interest thereon, will mature on the date that is 3 years from the Closing Date (the "**Maturity Date**"). The Company may repay all but not less than all of the Principal Amount following the first anniversary of the Closing Date. Unless the Principal Amount is earlier converted, accrued and outstanding Interest on the Principal Amount is due and payable to the holder on each anniversary of the Closing Date until the Maturity Date. Provided that the Debenture is then outstanding and that the holder has not received a repayment notice, all but not less than all of the Principal Amount may be converted at the option of the holder into common shares at the conversion price of \$0.15 (subject to adjustment for standard corporate alterations).

Management anticipates that Cesare Fazari, the Chief Executive Officer of the Company, together with other insiders of the Company, intend on subscribing for approximately \$2.5M of Debenture Units in the Offering.

If the Offering is fully subscribed, management anticipates allocating \$2.5M of the proceeds towards inventory, \$1M towards debt repayment and the remaining proceeds for general working capital.

One or more insiders of the Company may acquire Debenture Units under the Offering. Such participation will be considered to be "related party transactions" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). This portion of the Offering will, however, be exempt from the need to obtain minority shareholder approval and a formal valuation as required by MI 61-101 as the Company is listed on the Exchange and the fair market value of the Debenture Units distributed to insiders or the consideration paid by insiders of the Company is not expected to exceed 25% of the Company's market capitalization. No new insiders are anticipated to be created, nor will there be any change of control as a result of the Offering.

Closing of the Offering remains subject to the acceptance of the Exchange. The Debentures and the Warrants will be subject to a statutory hold period expiring on the date that is four months and one day after Closing Date.

None of the securities issued in connection with the Offering will be registered under the *United States Securities Act of 1933*, as amended (the "**1933 Act**"), and none of them may be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

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

On Behalf of the Board
RYU APPAREL INC.

"Cesare Fazari"

Cesare Fazari, CEO
Tel: 1-844-535-2880

About RYU

RYU Apparel (TSXV: RYU, OTCQB: RYPF), or Respect Your Universe, is an award winning urban athletic apparel and accessories brand engineered for active lifestyles. Designed without compromise for fit, comfort, and durability, RYU exists to facilitate optimal human performance. For more information, please visit the RYU website at: <http://ryu.com>

This news release contains forward-looking information that involves 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 RYU, such as statements that RYU intends to undertake and close the Offering, management participation in the Offering, and the intended use of proceeds thereof. There are numerous risks and uncertainties that could cause actual results and RYU's plans and objectives to differ materially from those expressed in the forward-looking information, including: (i) adverse market conditions; (ii) risks inherent in the apparel industry in general; (iii) the inability of RYU to complete the Offering; or (iv) the Exchange not approving the Offering. 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, RYU does not intend to update these forward-looking statements.

Neither the TSX Venture Exchange nor its Regulation Service Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.

SOURCE RYU Apparel Inc.

 View original content to download multimedia:

<http://www.newswire.ca/en/releases/archive/October2021/20/c3112.html>

%SEDAR: 00036899E

For further information: Corporate Communications, Anna Brazier, +1 (844) 535-2880, investors@ryu.com; U.S. Investor Relations, RedChip Companies Inc., Dave Gentry, (407) 491-4498, Dave@redchip.com

CO: RYU Apparel Inc.

CNW 09:00e 20-OCT-21