

OTC Markets Group

Joining us today is Rob Blair, Chief Operating Officer of RYU Apparel that trades on our OTCQB Venture Market under the ticker RYPPF. Also known as Respect Your Universe, RYU Apparel is an award winning urban athletic apparel and accessories brand engineered for the fitness, performance and lifestyle of athletically minded men and women. Innovatively designed without compromise and tailored for fit, comfort, and durability, RYU exists to facilitate human performance. Their products are designed, developed and tested at their corporate headquarters in Vancouver, Canada.

Rob Blair

Hey Cecilia. Thank you. Thanks for having me. Appreciate it.

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So, Rob, what is your professional background and how did you get involved with RYU Apparel?

Rob Blair

Yeah, for sure. I've been in the performance apparel space for two decades. I've had an interesting journey through that time. Building out some of the iconic brands that we note today. I spearheaded the initiative around the men's business for Lulu lemon. Built out the men's business, established some of the key pillar programs and was responsible for the ABC pen, which sells and Excel of a million units, a couple hundred million a year. I've had the opportunity to work with big brands like gap. And then I built out an innovative division for Nike called Nike lab, which was the tip of the spear for the brand for collaborations enhancing category growth. So yeah, it was an interesting journey. how I got connected with RYU as, as I was recently at red bull running consumer products for North America. And I was back in Vancouver, but family here. And I've got a lot of roots in Vancouver and Cesar through an industry friend, put me in touch with Cesar to have a conversation just over caught. I mean, I was really curious about RYU, where are we were RYU's been familiar with the brand since its early days. And knowing that they have gone through a bit of transition this last year, I thought it'd be great to have a conversation. So, C and I started a conversation in December and quite quickly we realized that you, we kind of had a good compliment to one another. And the decision into leadership role in supportive Caesar and the future for where this brand's gonna go.

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That's a great background story. So, tell us about RYU's product portfolio.

Rob Blair

Well, playing in the athletic apparel space, you'd expect it, it serves for the athletic consumer. One of the unique parts of RYU is that it's more than that. We solve for the modern-day athlete and, and we're seeing that shift change from the athlete, from the studio to the street. So, you talk about urban athletic apparel. When we build products, we build them with high transitional values, so that we're able to really compliment those who want to go and train in the studio, go to the coffee shop, go to the office and still be able to look their best and perform. So performance fabrics innovations in ingredient technologies, silhouettes the lab consumers to effortlessly move through their day. So, that that's kind of from a high level, that's how we are positioning.

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And so how does your brand differentiate from your competitors and what is your marketing strategy?

Rob Blair

Well, I can't give too much away because I'm 45 days into this a little over 45 days into this new assignment and we're under we're, we're deep into the strategy for 2022 building out the 2025. But what I can share is that we're really focusing our lens on the consumer. Obviously, we've gone through an interesting pandemic year. The consumer norms have changed we're focusing on making life easier for consumers, and it's gonna go through an approach of hyper curation, a seamless end to end brand experience and a best-in-class product assortment. And, and I think what I could say is that more purposeful allowing consumers to do more with less and at the same time, the end of the go and have very strong depth in key classifications and categories. So from a business perspective, the business will have legs to spin faster from a consumer perspective, it will be a lot easier to interact with a brand easy to understand the product, easy to buy, easy to wear and address the needs of a, of a modern consumer.

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How has the past year affected the north American and I guess even the global market for a per aware at leisure wear. And do you see any long-term trends?

Rob Blair

Yeah, no, it's a good question. I mean, obviously we've been the world's been subjected to, an unprecedented event with this pandemic. As a result, it's had a massive impact on retail. We've seen the consolidation of doors, closing retail is scrambling to figure out what the future looks like from a macro trend with consumers who train sweat. You're seeing this, this, this rise of train from home. So from zoom yoga sessions to Peloton, to the mirror there's, there's new norms being established where, people are now, consumers are working from home training from home. life's becoming training. when I look at, at the actual competitive landscape it, it's, it's extremely UND differentiated. There's a lot of noise everywhere. And I think now because of social media and brands there, there's, there's an unprecedented amount of, of noise out there where it's highly undifferentiated.

And so, so if you looked at multiple brands of product and took the labels off it would be difficult for a consumer to say, like that is a specific brand. And, and this noise, with everything that's happening there is a tremendous opportunity for RYU to cut through the noise. And when we look at the growth of the market, the market is extremely healthy. Obviously, with the pandemic time, it's made more important to be exercising. There's a lot of stress in households. So you're seeing a rise in the industry alone. It's, we've seen 10, 10 and a half percent growth this last year. Projections are around 200 plus billion by 2025 for the athletic apparel space. So, the markets extremely healthy it's growing, even during a time when we're seeing the pandemic, we're seeing it grow and we're seeing a massive amount of growth in, on E as a result. So, we look at this as being a, actually a great time, even though there's been so much it's opportunity for right.

OTC Markets Group:

What exciting developments do you have in store for 2021 to leverage your growth?

Rob Blair:

Yeah, well, you know I'm 45 days into this new assignment. What I would say is that there's a bit of a surprise. We are, we're, we're, feverously working on the strategies. There, this is an inflection point for the brand. It's an opportunity to reposition with a new level of optimism, a focus on our consumer a seamless brand end to end brand experience and serving our consumers in a way that haven't been served before. What I will say is that we're gonna disrupt the market and change the game. And, and what does that mean, for RYU, it's a differentiated approach to apparel how we serve our consumers. It's gonna allow

us to cut through the noise and serve product and stories with distinction that are newsworthy and they're relevant and simplifying consumers life. So we become ultimately their brand of choice. right now, I can tell you with regards to our strategy I'm going through my network and we're bringing on some of the best talent and partners to Y and we've got our eyes firmly set on a conservative 50 million revenue by 2023 and a hundred million by 2025. And if we look at the size of the market and that point being about a 200 billion space those are pretty conservative estimates. So, we're really excited, we're in a good place. And the momentum is just beginning.

OTC Markets Group

That's exciting to hear. RYU Apparel began trading on the OTCQB Venture Market in February of 2021 and is also traded on the TSX-V. How does cross-trading on the OTCQB Market enhance your investor strategy in the U.S.?

Rob Blair

Yeah, it's a good question. Obviously we're a Canadian brand proud of being a Canadian brand. the OTC, it's a great platform for shareholders to trade on, especially those who are interested in the apparel in the retail space. So, we feel it's a really, it's an important place for us to be present. 50% of our business right now comes from the U.S. market. as we move into our 2022 plans growth is really gonna be centered around the United States. It's an important place for us to be. And, and it also has access in giving us investors the ability to kind of connect with, with the brand, cause in many respects, RYU is still a discovery brand in so many markets. I think it's been said recently, it's the best UN it's the best unknown brand out there. And I think that's an advantage for us, certainly when we go into the new markets and it's, we roll out our growth strategies and our plans entering the United States it's gonna be a big part of it. So we're excited. I encountered this one though. I'm gonna flip it back on yourself, Cecilia, I'm curious from your perspective, how do you see trading on OTCQB enhancing, RYU's investment strategy, too.

OTC Markets Group

That's a great question. I think that we give you access to the U.S. market. And as you mentioned, 50% of your market is, is targeted here in the U.S. And I think that, again, to your point the longer trends of people working from home and at leisure wear and apparel where just kind of complimenting people kind of new lifestyle, as the last year kind of changed the game. So, I think you guys have a good platform here in the U.S. on being on the OTCQB Market.

Rob Blair

Yeah, it's great. Yeah, no, I certainly agree with you there.

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Well, it's been great talking with you, Rob.

Rob Blair

Thanks Cecilia. It's been great. I really appreciate at the time, the interest in RYU and the support.

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RYU Apparel trades under the symbol, RYPPF on our OTCQB Venture Market.

*\*This is an autogenerated transcript and may contain typos.*