

**RAPALA VMC CORPORATION (“RAPALA”) ACQUIRES 49% OF DQC INTERNATIONAL CORP, OWNER OF 13 FISHING ROD AND REEL BRAND, INVESTS IN THE COMPANY AND CONCLUDES A PERPETUAL WORLDWIDE LICENCE AND EXCLUSIVE DISTRIBUTION AGREEMENT EXCLUDING THE USA**

Rapala has concluded definitive agreements to acquire in total 49% of the share capital of the Florida-based DQC International Corp (also known as “13 Fishing”) from the majority owner Mr. James Coble and minority shareholders Mr. Phil Feigh Chu and Mr. Yu-Wei Chang. Rapala and remaining 51% shareholder Mr. James Coble have also both agreed to inject more capital into 13 Fishing and Rapala has agreed to lend funds to recapitalize the company. The 10 million US dollar cash injection from Rapala will facilitate 13 Fishing’s growth both in the USA and international markets. As part of the total transaction it has been agreed that James Coble will receive 225.000 shares of Rapala VMC Corporation, which the company has as treasury shares.

DQC International Corp, known especially in the USA for its 13 Fishing -branded rods and reels, is a Clearwater, Florida based company established in 2012 by Mr. James Coble and the two other minority shareholders. The company has grown fast and its gross sales, predominantly from the USA, is ca. 25 million US dollars. The company employs ca. 25 employees, including design and product development teams both in Florida and Taiwan. 13 Fishing has won Best in Category awards at 2017 and 2018 ICAST and is recognized as one of the fastest growing rod and reel brands in US consumer panel studies.

Simultaneously Rapala has concluded a perpetual license agreement with 13 Fishing under which Rapala will secure exclusive distribution rights to 13 Fishing’s products and distribute all 13 Fishing’s existing and new products outside the USA. According to the agreement, Rapala has the perpetual right to use all intellectual property rights of 13 Fishing outside the USA, while DQC International Corp remains the ultimate brand owner.

13 Fishing’s products will be incorporated into Rapala’s global distribution network outside of the USA. In the USA Rapala’s and 13 Fishing’s operations will remain separate and independent and possibilities for mutually beneficial operative synergies will be further evaluated in the future.

13 Fishing’s product portfolio, concepts and R&D capabilities will form the future platform for Rapala Group’s global approach into the rod and reel -category. 13 Fishing’s product development team has already started to work with Rapala’s global network to introduce new innovative products to the global markets. Furthermore, Rapala will make own investments in marketing and product development resources to secure successful introduction of 13 Fishing products to fishermen and retailers outside of the USA.

Subject to fulfilling customary closing conditions, the transactions referred above are expected to close by the end of third quarter 2019.

“Rapala is widely regarded as the largest distribution company in our industry. Where 13 Fishing excel in branding, product development and innovation, they excel in driving operational growth and revenue. Joining forces with a truly global distribution network and leveraging their vast knowledge will allow the team at 13 Fishing to rapidly accelerate the growth. At our core we will remain agile and innovative while seeking to stretch our global brand presence.” says James Coble, President of DQC International Corporation.

"For some time we have been carefully exploring various options for a long lasting solution to enter the worldwide rod and reel business in a financially meaningful way, which leverages our global presence. During the long discussions we have deepened our understanding of 13 Fishing and have become convinced of their capabilities to build a global rod and reel brand in a partnership with us. 13 Fishing already has a proven record of building a dynamic brand and innovative products, resulting in fast sales growth in the USA. 13 Fishing has managed to successfully wedge into the world's most competitive fishing tackle market in a relatively short time. We are confident that combining our industry knowledge, most global distribution network of the industry and understanding of the various fishing tackle markets with James Coble and his team's agility, innovativeness and other capabilities, we can grow 13 Fishing into a worldwide rod and reel player. The capital injection to 13 Fishing will accelerate this development both in the USA and outside the USA. We will subsequently benefit of this through our distribution companies outside of the USA and as influential minority shareholder of 13 Fishing. In the USA 13 Fishing will continue to have its own organization and it will be operating independently in co-operation with Rapala USA. I have full confidence in the partnership with James Coble and his team and I welcome them all into the global Rapala family", says Jussi Ristimäki, President and CEO of Rapala VMC Corporation.

#### RAPALA VMC CORPORATION

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Rapala VMC Corporation (“the Group”) is a leading fishing tackle company and the global market leader in fishing lures, treble hooks and fishing related knives and tools. The Group also has a strong global position in other fishing categories and it is one of the

leading distributors of outdoor, hunting and winter sport products in the Nordic countries. The Group has the largest distribution network in the industry. The main manufacturing facilities are located in Finland, France, Estonia, Russia, Indonesia and the UK. The Group brand portfolio includes the leading brand in the industry, Rapala, and other global brands like VMC, Sufix, Storm, Blue Fox, Luhr Jensen, Williamson, Dynamite Baits, Mora Ice, StrikeMaster, Marttiini and Peltonen. The Group, with net sales of EUR 262 million in 2018, employs some 2 700 people in 42 countries. Rapala VMC Corporation's share is listed and traded on the Nasdaq Helsinki stock exchange since 1998.