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RAPALA VMC CORPORATION ISSUES EUR 25 MILLION HYBRID BOND

Rapala VMC Corporation (“Rapala”) has today, November 6, 2019, decided to issue a euro-denominated hybrid bond in the amount of EUR 25 million. The hybrid bond bears a fixed interest rate of 5.25 per cent per annum until the reset date November 13, 2021, and thereafter the interest rate will be determined on each second (2) anniversary of the issue date. The hybrid bond has no maturity date but the issuer is entitled to redeem the hybrid bond after 2 years from the issue date. The issue date of the hybrid bond is November 13, 2019.

"We are very pleased with the broad interest from capital markets towards our hybrid bond. The oversubscribed transaction sends a strong message of investors' confidence in the company. The hybrid bond will strengthen our capital structure and financial position.", says Jan-Elof Cavander, CFO of Rapala.

A hybrid bond is an instrument, which is subordinated to the company's other debt obligations and which is treated as equity in the IFRS financial statements. The hybrid bond does not confer to its holders the rights of a shareholder and does not dilute the holdings of the current shareholders.

The key information document relating to the hybrid bond, prepared in accordance with the PRIIPs Regulation ((EU) 1286/2014, as amended), will be revised to include final pricing information and made available on Rapala's website.

OP Corporate Bank plc acts as sole lead manager for the transaction. Hannes Snellman Attorneys Ltd acts as legal advisor to Rapala.

RAPALA VMC CORPORATION

Louis d'Alançon
Chairman of the Board and Chief Executive Officer

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Distribution: Nasdaq Helsinki and main media

Rapala group is the world's leading fishing tackle company and the global market leader in fishing lures, treble hooks and fishing related knives and tools. Group has a strong global position also in other fishing categories and it is one of the leading distributors of outdoor, hunting and winter sport products in the Nordic countries. Rapala's distribution network is largest in the industry. The main manufacturing facilities are in Finland, France, Estonia, Russia, Indonesia and the UK. Rapala group's brand portfolio includes the leading brand in the industry, Rapala, and other global brands like VMC, Suffix, Storm, Blue Fox, Luhr Jensen, Williamson, Dynamite Baits, Mora Ice, StrikeMaster, Marttiini and Peltonen as well as 13 Fishing outside of the USA. 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.

This release is for informational purposes only and is not to be construed as an offer to purchase or sell, or a solicitation of an offer to purchase or sell, with respect to any hybrid bond. The distribution of this release and the related material concerning the issuance of the hybrid bond are prohibited by law in certain countries. The hybrid bond is not being offered to the public either inside or outside of Finland except that the hybrid bond may be offered to the public at any time under the exemptions under Article 1(4) of the Regulation (EU) 2017/1129 of the European Parliament and of the Council. Persons resident outside of Finland may receive this release and the related hybrid bond documentation only in compliance with applicable exemptions or restrictions. Persons into whose possession this release and the related hybrid bond documentation may come are required to inform themselves about and comply with such restrictions. This release and the related hybrid bond documentation may not be distributed or published in any country or jurisdiction or otherwise if to do so would constitute a violation of the relevant laws of such jurisdiction or would require actions under the laws of a state or jurisdiction other than Finland, including the United States, Canada, Australia, Hong Kong, South Africa, Singapore and Japan. The information contained herein shall not constitute an offer to sell or tender, or a solicitation of an offer to buy or sell the hybrid bond to any persons in any jurisdiction in which such offer, solicitation or sale or tender would be unlawful. Rapala VMC Corporation's representatives assume no legal responsibility for such violations, regardless of whether the parties contemplating investing in the hybrid bond are aware of these restrictions or not. Rapala VMC Corporation's hybrid bond will not be registered under the US Securities Act of 1933, nor under any securities legislation of any state in the United States, and it may not be offered, sold, resold, donated, delivered, distributed, bought or transferred in the United States or to US citizens or on behalf of US citizens, except pursuant to an exemption from the registration requirements of the US Securities Act of 1933 and any applicable state law legislation.

MiFID II Product Governance / Retail Clients, Professional Clients and Eligible Counterparties Target Market

Solely for the purposes of the product governance requirements set forth in Directive 2014/65/EU (as amended, "MiFID II"), the target market assessment made by the manufacturer in respect of the hybrid bond has led to the conclusion that: (1) the target market for the hybrid bond is eligible counterparties, professional clients and retail clients,

each as defined in MiFID II, who are (a) informed investors, having average knowledge of relevant financial products (an informed investor can make an informed investment decision based on the regulated and authorised offering documentation, together with knowledge and understanding of the specific factors/risks highlighted with them only) or advanced investors having one, or more, of the following characteristics, (i) good knowledge of relevant financial products and transactions or (ii) financial industry experience or accompanied by professional investment advice or included in a discretionary portfolio service, (b) clients that have the ability to bear losses of up to 100 per cent. of the capital invested in the product, and who have a high risk tolerance and therefore do not need a fully guaranteed income or return profile and (c) clients whose investment objective is to generate growth of the invested capital and have a medium- to long-term investment horizon; (2) all channels for distribution of the hybrid bond to eligible counterparties and professional clients are appropriate; and (3) the following channels for distribution of the hybrid bond to retail clients are appropriate: investment advice, portfolio management, and non-advised sales or execution with appropriateness test, subject to the distributor's (as defined below) suitability and appropriateness obligations under MiFID II, as applicable. Any person subsequently offering, selling or recommending the hybrid bond (a "distributor") should take into consideration the manufacturer's target market assessment. However, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the hybrid bond (by either adopting or refining the manufacturer's target market assessment) and determining appropriate distribution channels.