

CHANGES IN THE DISTRIBUTION AGREEMENTS BETWEEN RAPALA VMC CORPORATION AND SHIMANO EUROPE BV

Rapala VMC Corporation ("Rapala") and Shimano Europe B.V. ("Shimano"), together ("The Parties"), have agreed to terminate various distribution agreements between the Parties in some European countries and South-Africa.

The Parties have agreed to terminate the distribution of Shimano-, G-Loomis- and PowerPro-branded fishing tackle products ("Shimano Products") in France, Switzerland, Spain and Portugal effective July 1, 2020. Until this date, the respective Rapala distribution companies, fully owned and controlled by Rapala, will continue to distribute Shimano Products on an exclusive basis in these four markets. This means that the business will continue as usual until the date referred above and local Rapala distribution companies will be responsible for business on exclusive basis.

At the same time The Parties have agreed to terminate the distribution of Shimano Products in Finland, Norway, Denmark, Sweden, Greenland, Iceland, Lithuania, Latvia, Estonia and South Africa effective October 1, 2020. Until this date, the respective Rapala distribution companies, fully owned and controlled by Rapala, will continue to distribute Shimano Products on an exclusive basis in all of these markets. This means that the business will continue as usual until the date referred above and local Rapala distribution companies will be responsible for the business on exclusive basis.

At the same time The Parties have agreed to terminate the distribution of Rapala-, Storm- and Dynamite-branded fishing tackle products in Germany, The Netherlands, Belgium, Luxembourg and Italy effective April 1, 2019. At the same time distribution of Rapala- and Storm-branded products in the United Kingdom and Dynamite-branded products in Turkey by Shimano will end. Until this date, the respective Shimano distribution companies, fully owned and controlled by Shimano, will continue to distribute these Rapala Group -branded fishing tackle products on an exclusive basis in all of these markets.

There will be no change in the distribution agreements regarding Shimano- or Rapala Group-branded products in Rapala controlled jointly owned distribution companies in Russia, Belarus, Kazakhstan, Czech Republic, Hungary, Romania, Slovenia, Croatia, Serbia, Kosovo, Bosnia, Macedonia, Montenegro, Bulgaria, Albania and Moldova. Accordingly, there is no change in the structure and operations of the Rapala Shimano East Europe Oy and Normark Hungary Ltd -subgroup's, which are jointly owned by Rapala and Shimano.

In year 2017 Rapala Group's sales of Shimano Products in the countries where the distribution agreement will terminate, as referred above, was some 26 MEUR, representing ca. 10 % of Rapala Group's total sales. Year 2018 sales figures will be disclosed as part of announcing 2018 annual accounts.

"We have been partners with Shimano for more than 26 years, but the world is changing. It has been agreed by Rapala and Shimano that in the countries referred above, it is better for both companies to control their own brands. While our partnership with Shimano will continue in the jointly owned distribution companies, we are sorry to see Shimano going

their own way in several countries. At the same time this opens us several new opportunities. The large European markets which have been previously handled by Shimano will in the future be directly fully controlled by Rapala. We are already selling Rapala Group-branded rods and reels in some countries and we will intensify and accelerate the development of this category in the future. The separation from Shimano will also enable us to consider approaching the rod and reel category strategically on global basis”, says Jussi Ristimäki, President and CEO of Rapala VMC Corporation.

RAPALA VMC CORPORATION

Jussi Ristimäki
President and Chief Executive Officer

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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, Suffix, Storm, Blue Fox, Luhr Jensen, Williamson, Dynamite Baits, Mora Ice, StrikeMaster, Marttiini and Peltonen. The Group, with net sales of EUR 253 million in 2017, employs some 2 600 people in 42 countries. Rapala VMC Corporation’s share is listed and traded on the Nasdaq Helsinki stock exchange since 1998.