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## **RAPALA VMC CORPORATION CONFIRMS ITS INTENTION TO ISSUE A HYBRID BOND**

On 9 July 2019 Rapala VMC Corporation (“Rapala” or the “Company”) published that it was considering the issuance of a hybrid bond. The Company now confirms its intention to issue new euro-denominated hybrid bond in the amount of up to EUR 25 million (the “New Notes”). The New Notes will not have a specified maturity date, but Company is expected to be entitled to redeem the New Notes for the first time on the second anniversary of the issue date. The issuance of the New Notes is expected to take place in November 2019, subject to market conditions.

The Group’s financing strategy is to continuously evaluate different funding options in order to have a financing structure, which optimizes the total cost of funding and provides required flexibility to implement the Group’s overall strategy. The hybrid bond issue would strengthen the company's capital structure and financial position.

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.

OP Corporate Bank plc is acting as the sole lead manager of the contemplated issuance of the New Notes. Hannes Snellman Attorneys Ltd is acting as the legal advisor of the Company.

RAPALA VMC CORPORATION

Louis d’Alançon  
Chairman of the Board

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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 (the "Prospectus Regulation"). 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.