

RAPALA VMC CORPORATION (“RAPALA”) PUBLISHES ADDITIONAL INFORMATION ON ITS ACQUISITION OF 49% OF THE SHARE CAPITAL OF DQC INTERNATIONAL CORP

Rapala announced on July 9, 2019 that it has concluded definitive agreements to acquire in total 49% of the share capital of DQC International Corp (also known as “13 Fishing”). By this subsequent announcement, Rapala discloses certain additional information on the total consideration for the acquisition as well as historical financial results and financial position of DQC International Corp.

The total consideration for the acquisition is 3.1 MUSD in cash and 225.000 treasury shares of Rapala VMC Corporation, which are all payable at closing. Furthermore, the parties have agreed on an additional earn-out in cash to the sellers based on 13 Fishing’s cumulative EBITDA in 2020-2021. The size of the possible earn-out will depend on the closing balance sheet of 13 Fishing and the company’s actual EBITDA during 2020-2021, and according to Rapala’s current estimate, the earn-out could result in a maximum payment of approximately 5 MUSD. It has also been agreed that Rapala will provide 10 MUSD of additional funding to 13 Fishing in the form of share capital and loans. The amount of the share capital increase from Rapala is 1 MUSD.

The below financial information of DQC International Corp is based on unaudited US GAAP financial statements for the financial year ending on December 31, 2018 and presented in US dollars.

MUSD	2018
Gross sales	25.1
Net sales	23.5
Reported EBITDA	0.8
% of net sales	3.4%
Reported operating profit	0.7
% of net sales	3.0%

MUSD	2018
Non-current assets	1.2
Current assets	8.8
Total assets	10.0
Total equity	-2.7
Liabilities	12.7
Total equity and liabilities	10.0

The acquisition has no effect on Rapala's short-term outlook or 2019 full year guidance that was published on February 15, 2019.

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.