

RAPALA VMC CORPORATION ISSUES POSITIVE PROFIT WARNING AND UPGRADES ITS OUTLOOK FOR 2021: EXPECTS COMPARABLE OPERATING PROFIT TO INCREASE SIGNIFICANTLY FROM PRIOR YEAR

Rapala VMC Corporation's outlook for 2021 has improved as a result of stronger than anticipated financial performance during the first three months of the year as well as upgraded positive business outlook for the remaining part of the year. The Group now expects full year 2021 comparable operating profit to increase significantly from the previous year. Key drivers behind the upgraded outlook are exceptionally strong winter sales, strong continued demand for fishing gear as it remains a popular COVID-safe activity globally as well as faster than expected strategy implementation.

Uncertainties however remain for the rest of the year and the COVID-19 pandemic continues to pose some risks for the full-year performance. The pandemic can impact the operating environment of the company in various ways, including lockdowns, store closures, social distancing and an overall change in consumer confidence.

A more detailed review of possible risks and uncertainties, particularly relating to the pandemic, can be found on the company's website www.rapalavmc.com and in the Risks and business uncertainties - section of the financial statements released on February 9, 2021.

The updated outlook for 2021:

The Group expects 2021 full year comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to increase significantly from the previous year.

The previous outlook for 2021 (issued on February 9, 2021):

The Group expects 2021 full year comparable operating profit (excluding mark-to-market valuations of operative currency derivatives and other items affecting comparability) to be in line or above the previous year.

RAPALA VMC CORPORATION

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About Rapala VMC Corporation

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 Rapala's distribution network is largest in the fishing 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, Sufix, Storm, Blue Fox, Luhr Jensen, Williamson, Dynamite Baits, Mora Ice, StrikeMaster, Marttiini, Peltonen and 13 Fishing outside of the USA as well as Okuma in Europe and Russia. Group, with net sales of EUR 261 million in 2020, employs some 2 100 people in 42 countries. Rapala VMC Corporation's share is listed and traded on the Nasdaq Helsinki stock exchange since 1998.