

Current report No 53/2018

Date of issue: 20th November 2018

Issuer short name: POLIMEX-MOSTOSTAL

Subject: Counterclaim against "Polimex-Mostostal" SA

Legal basis: Article 17(1) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC

The Management Board of "Polimex-Mostostal" SA with the registered office in Warsaw (the "**Company**", the "**Issuer**") informs that today the legal representative and the patent agent of the Company has received a counterclaim from Mostostal SA with the registered office in Warsaw (the "**Defendant**"). The counterclaim has been filed against the Issuer and Mostostal Siedlce LLC (a subsidiary of the Issuer).

The counterclaim presents the position of the Defendant in the case filed by the Issuer and by Mostostal Siedlce LLC in June 2017 for the cancellation of the sales agreement pertaining to two Mostostal trademarks: the figurative trademark "Mostostal" registered under number R 87887 and the verbal trademark "Mostostal" registered under number R 97850. The sales agreement was concluded in 2007 by the administrative receiver of one of the entities using the trademarks. The Defendant was the purchaser in this transaction.

The value of the subject matter under dispute is PLN 96,908,719. The amount indicated by the Defendant constitutes the compensation for the violation of the protective rights with regards to the specified trademarks. The Defendant is seeking compensation of PLN 83,717,995 from the Issuer and PLN 13,190,724 from Mostostal Siedlce LLC.

The court has allowed 60 days for the Issuer to respond to the counterclaim. The position of the Company is that the counterclaim and the value of the compensation have no legal merit and the counterclaim has been filed merely in a reaction to the lawsuit from June 2007. As indicated by the analysis undertaken by the Issuer, the Company has subjective rights to Mostostal, as well as the prior user right to the trade name "Mostostal", which take precedence over the abovementioned Mostostal trademarks under dispute.