

Press Release

Dutch Court approves seizure of iconic vodka brands by former Yukos shareholders to enforce \$50 billion Awards against Russian Federation

THE HAGUE, June 28, 2022 – The Dutch Court of Appeal in The Hague today approved the seizure of the Benelux trademarks of iconic vodka brands Stolichnaya and Moskovskaya by the former Yukos majority shareholders to enforce their \$50 billion damage claim against the Russian Federation for the illegal, politically motivated expropriation of the Russian oil giant in 2003.

The Russian Federation expropriated Yukos starting in 2003. After lengthy proceedings spanning almost 10 years, an independent Arbitral Tribunal unanimously concluded in 2014 that the expropriation was illegal and politically motivated and awarded its former majority shareholders more than \$50 billion in compensation. The Hague Court of Appeal upheld the Awards in February of 2020 and declared that it was immediately enforceable. The Dutch Supreme Court affirmed the substance of that ruling in November of 2021, referring a minor part of the case to the Amsterdam Court of Appeal on a procedural ground.

To date, the Russian Federation has refused to comply with the Awards and never responded to invitations from the former shareholders to explore a settlement. This leaves the former shareholders no other option but to enforce the Awards by seizing the assets of the Russian Federation.

The seizure the Court of Appeal approved today refers to eighteen Benelux trademarks -- and international trademarks to the extent they apply to the Benelux region -- held by FKP Sojuzplodoimport on behalf of the Russian Federation. These include trademarks for the iconic vodka brands Stolichnaya and Moskovskaya.

“This is a momentous decision, because it paves the way for the lawful enforcement of our Awards by seizing Russian state property not only in The Netherlands, but also in 168 other countries around the world under the New York Convention”, says GML’s CEO Tim Osborne. “The Kremlin will continue to fight us tooth and nail, but in the end the rule of law and justice will prevail”.

If the Russian Federation will continue to refuse to pay the Arbitral Awards, the former Yukos majority shareholders will put the trademarks to a public auction.

About GML

GML, through its wholly-owned subsidiaries, Yukos Universal Limited and Hulley Enterprises Limited, together with Veteran Petroleum Limited were the majority shareholders of the former Yukos Oil Company. In 2014, an independent Arbitral Tribunal in The Hague awarded them more than \$50 billion in compensation for the illegal expropriation of their investments by the Russian Federation.

In its Final Award, the independent Arbitral Tribunal concluded that:

- *“Russian courts bent to the will of Russian executive authorities to bankrupt Yukos, assign its assets to a State-controlled company, and incarcerated a man who gave signs of becoming a political competitor”;*
- *“.... [T]he State’s campaign of intimidation and harassment not only disrupted the operations of Yukos but also contributed to its demise”;*
- *“.... [T]he primary objective of the Russian Federation was not to collect taxes but rather to bankrupt Yukos and appropriate its valuable assets.”*

The Russian Federation appealed the decision in the Dutch court system. In 2016, the District Court of The Hague set aside the Arbitral Awards on grounds of jurisdiction. In February 2020, the Court of Appeal of The Hague quashed the decision of the District Court and reinstated the Arbitral Awards. The Dutch Supreme Court affirmed the substance of that ruling in November of 2021, referring a minor part of the case to the Amsterdam Court of Appeal on a procedural ground.

You can find more information on our website: www.gmllimited.com

For more information, please contact

Anthony Marchese

Tel: +447979 378 853

AMarchese@apcoworldwide.com

www.gmllimited.com