

POWER OF ATTORNEY

25.08.2023

Bauroc AS (registration number 10198948) (the "Client") hereby authorizes the attorneys of **Advokadibúroo WALLESS OU**, partner Karl-Erich Trisberg and senior associate Evelin Lisett Ratnik, and any other attorneys of the firm delegated by them (the "Counsel"), to jointly or separately represent the Client in all disputes against Innovacion y Tecnologia Energética Avanzada, S.L and/or Baublock Materiales Avanzados De Construccion, S.L, including but not limited to addressing authorities and representing the Client in court proceedings.

The Counsel is entitled to take all legal measures they deem necessary to protect Client's interests in the proceedings described above.

This power of attorney has been issued for an unspecified term.



Ivar Sikk
Member of the Management Board

compensation for damage caused by spreading defamatory statements. Therefore, the fact that Baublock has used E. Liepa as its messenger, does not exclude Baublock's liability.

Third, using our (former) employee to engage in said activities, is already on its own sufficient to determine a violation of prohibition against unfair competition (see EKTAKS § 3 (2) (3)).

Potential criminal investigation

It is important to highlight that Baublock's actions may potentially fall within the scope of Penal Code⁴ § 377, i.e., acquisition, use and disclosure of business secret.

Namely, § 377 (1) and (2) of the Penal Code state that illegal acquisition, use of disclose of a business secret, if such act was committed by a legal person for commercial purposes or with the aim to cause damage, is punishable by a pecuniary punishment.

Consequently, Bauroc is currently deliberating the prospect of submitting a notice to law enforcement authorities for them to decide whether to initiate criminal proceedings against Baublock.

Damages and contractual penalty

In light of the above, Bauroc is entitled to claim damages pursuant to the LOA § 1045 (1) (6), § 1047 (2) and § 1055, as described below.

First, the exact damage caused by Baublock is invaluable (considering the potential loss of market share within the EU market, loss of reputation, etc.). According to a conservative estimate, however, the disclosure of Bauroc's business secrets, the taking over of at least one of Bauroc's employee, and, as a result, the necessity to search and train a new employee, constitutes a damage to Bauroc of at least EUR 10,000 (i.e., the actual sum of damages is most likely significantly higher and will be determined if the dispute escalates).

Second, Baublock's actions have compelled Bauroc to seek the assistance of a law firm, and as a result, Bauroc has been obligated to incur expenses for the rendered legal services in connection with the preparation of this claim letter. The Supreme Court of Estonia has repeatedly affirmed that this constitutes direct pecuniary damage under § 128 (3) of the LOA.

Third, Bauroc finds it imperative to emphasize that if the dispute escalates and a mutual understanding will not be reached promptly, Bauroc will be left with no alternative but to pursue legal action in a court of law. While Bauroc remains committed to finding a peaceful settlement, the looming possibility of legal proceedings must not be overlooked, considering that **this dispute would be adjudicated in the courts of Estonia⁵ and under the laws of Estonia⁶**. Therefore, Bauroc urges Baublock to bear in mind the potential consequences of engaging in prolonged proceedings, particularly within the jurisdiction of Estonia. The associated time and financial costs of legal proceedings should not be underestimated.

⁴ <https://www.rigihoiataja.ee/enell/520032023010/consolide> (18.08.2023).

⁵ Regulation (EU) No 1215/2012 of the European Parliament and of the Council of 12th of December 2012, on jurisdiction and the recognition and enforcement of judgments in civil and commercial matters Article 7 (2).

⁶ Regulation (EU) No 864/2007 of the European Parliament and of the Council of 11 July 2007 on the law applicable to non-contractual obligations Article 6 (2) and Article 4 (1).

W A L L E S S

Estonia
Latvia
Lithuania

Tallinn, 30 August 2023

Baublock Materiales Avanzados De Construcción, S.L
C/ Albert Einstein, Número 21, Polígono Salinas 11500 Puerto De
Santa María, EI 11500 Cádiz

Innovación y Tecnología Avanzada, S.L
C/ Albert Einstein, Número 21, Polígono Salinas 11500 Puerto De
Santa María, EI 11500 Cádiz

Re: Letter of Claim

Dear Mr. Vladimir Savenkov,

Law firm WALLLESS is the legal representative of Baurroc AS (hereinafter "Baurroc"), on behalf of whom we send you this letter of claim (**Annex 1**).

Since the 1st of April 2016, Elina Liepa has worked at Baurroc as a Chief Technologist.

On the 31st of January 2023, Baurroc's management received a statement from E. Liepa, announcing that she will be working in Baurroc Andia as *Chief Technologist till the end of the April* and that she has taken up to a new challenge as a *Director of Technological Development and R+D+I in Spain*. Baurroc respected this wish and assumed that the termination of the employment will take place in good faith, considering the long-term relationship of the parties.

At the beginning of April 2023, it became known to Baurroc, however, that E. Liepa had already taken on the job as *Director of Technological Development and R+D+I at BAUBLOCK MATERIALES AVANZADOS DE CONSTRUCCION S L* (hereinafter *Baublock*)¹, even though her employment contract with Baurroc was valid until 30th of April 2023.

Moreover, in August 2023, Baurroc found out that E. Liepa had started contacting existing employees of Baurroc with the intention of inviting them to work for Baublock already since March 2023. So far, this has even led to the termination of employment contract with at least one Baurroc's employee.

Furthermore, after concluding an internal investigation, Baurroc has now discovered that E. Liepa had sent a total of 44 e-mails, which contain Baurroc's business and manufacturing secrets, from her former Baurroc e-mail account to her personal e-mail address between 8th of March 2023 and 9th of March 2023, i.e., just before start of her employment at Baublock.

Moreover, E. Liepa made sure that, after she had acquired those e-mails, E. Liepa filed these documents both in the "deleted" as well as "permanently deleted" folders. This means that E. Liepa had acknowledged her wrongdoing and had hoped that this would later pass unnoticed.

Taking into account the circumstances around termination of E. Liepa's employment, as well as the overall course of events, it is clear that the proposition to illicitly acquire Baurroc's business secrets and to make attempts to solicit our employees to work for Baublock, our competitor,

¹ This is indicated by the new phone number, new e-mail address, new business card, spreading Baublock's social media posts in LinkedIn, etc.

