

Morpheus Ventures I-A

Partner Distribution Statement

2020 Tax Return Information for the year ended 30 June 2020

Investor: Panic Super Pty Ltd ATF Panic Superannuation Fund
Address: Unit 2504 12 Cunningham Street, Brisbane QLD Australia 4001

This statement has been prepared on the basis that you are an Australian Resident Superfund holding your assets on capital account. All amounts are expressed in Australian dollars (AUD). Some totals may not add due to rounding. If you choose to use a tax agent to prepare your income tax return, advise them to rely on the information in this statement rather than information that may be displayed in the tax agent's pre-filing service.

Part A: Summary of 2020 Fund Tax Return

Tax Return	Amount (\$)	Tax return label	Note
Gross distribution from partnerships	(40,119)	10I	
Capital Gain - House Canary	11,639	10A	1
Capital Gain - Wire Group Holdings (if roll-over not chosen)	7,310	10A	2

Part B: Share of Accounting Profit/(Loss) for the year ended 30 June 2020

	Amount (\$)
Share of accounting profit/(loss) for the income year ended 30 June 2020	693,976

Note

1	<p>House Canary restructure</p> <p>The realised gross capital gain of \$11,639 relates to a restructure of the underlying investment, House Canary Inc during the year.</p> <p>The House Canary Inc capital gain disclosed is the gross gain before application of any discount and relates to an asset held for greater than 12 months. On this basis, a partner may be entitled to a discount capital gain if a partner is either of the following:</p> <ul style="list-style-type: none"> - Individuals - 50% discount - Superannuation Funds - 33.33(2d.p.)% discount - Trust - 50% discount <p>For capital gains tax purposes, partners in a partnership are required to work out their own capital gain or loss arising from a partnership asset. Each partner should seek their own advice in relation to the calculation of their capital gain or loss to be disclosed in their own tax returns as this may require taking into account capital gains and losses from other investments.</p>			
	<p>Wire Group Holdings Inc restructure</p> <p>The realised gross capital gain of \$7,310 relates to a restructure of the underlying investment, Wire Group Holdings Inc during the year.</p> <p>The Wire Group Holdings Inc capital gain disclosed is the gross gain before application of any discount and relates to an asset held for greater than 12 months. On this basis, a partner may be entitled to a discount capital gain if a partner is either of the following:</p> <ul style="list-style-type: none"> - Individuals - 50% discount - Superannuation Funds - 33.33(2d.p.)% discount - Trust - 50% discount <p>For capital gains tax purposes, partners in a partnership are required to work out their own capital gain or loss arising from a partnership asset. Each partner should seek their own advice in relation to the calculation of their capital gain or loss to be disclosed in their own tax returns as this may require taking into account capital gains and losses from other investments.</p> <p>The recently received EY advice says that capital gains tax roll-over relief is available for this capital gain if Wire Group Holdings GmbH agrees to it in writing. If you do not obtain agreement before lodging the tax return, or if you do but choose not to claim the roll-over relief for Wire Group Holdings Inc, please include this capital gain as taxable. However, if you obtain the agreement and choose to apply the roll-over relief, please exclude this capital gain. Please refer to the information fact sheet for further details in respect of the roll-over relief.</p> <p>If you are unable to obtain the required agreement by the time your return is due, treat the capital gain as taxable. You can subsequently amend your return should you choose to if you have obtained the written agreement from Wire Group Holdings GmbH, we will assist with this correspondence should you so desire.</p>			
2	<p>If roll-over is chosen, the following amount is the cost base of the new investment in Wire Group Holdings GmbH (AUD).</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 80%;"></td> <td align="right">\$</td> <td align="right">36,560.03</td> </tr> </table>		\$	36,560.03
	\$	36,560.03		

Disclaimer

This statement of distribution contains important information and should be retained to prepare you tax return. We recommend that if this statement of distribution is not applicable or your situation is unusual or complex that you seek professional advice.

Capital Gains Tax Implications of Wire Group Restructure – Partner Information Sheet

This information sheet is a general guide only. It is provided to help limited partners (“you” or the “Partners”) who hold an interest in Morpheus Ventures I-A LP (“Morpheus Fund”) understand the Australian income tax consequences associated with the Wire Group restructure, in particular, the exchange of Series A Preferred Stock in Wire Group Holdings, Inc. (“WGH Delaware”) for Preferred Series A shares in Wire Group Holdings GmbH (“WG Germany”).

This information sheet considers the following tax implications of the Wire Group restructure:

- ▶ **Step 1. Acquisition by Morpheus Fund of WG Germany shares (“First Parcel Shares”)**
- ▶ **Step 2. Contribution by of WGH Delaware Series A Preferred Stock in exchange for new shares Series A Preferred Shares in WG Germany (“Second Parcel Shares”)**
- ▶ **Step 3. Transfer of assets/liabilities from WGH Delaware to WG Germany. This step included the assignment of the Convertible Promissory Notes held by Morpheus Fund from WGH Delaware to WG Germany**
- ▶ **Step 4. Liquidation of WGH Delaware**
- ▶ **Step 5. Amendment of WG Germany Articles of Association (AA) and Shareholders Agreement (SHA)**

As this information is general in nature, we recommend that you seek your own independent professional taxation advice that considers your specific circumstances.

If you are not an Australian resident or do not hold your interests on capital account, the income tax consequences outlined below generally do not apply and you should seek your own independent taxation advice regarding taxation implications for your circumstances.

We have prepared this information sheet with reference to the relevant taxation legislation, rulings and case law as it stands at the time this information sheet was issued. In the event that such legislation, rulings or case law changes over time, the tax implications outlined in this information sheet may be affected. We are not responsible for updating this information sheet for any subsequent changes in the law or its interpretation.

This summary does not constitute financial product advice as defined in the *Corporations Act 2001*. This summary is confined to taxation issues and is only one of the matters you need to consider when making a decision about your investments. You should consider taking advice from a licensed adviser, before making a decision about your investments. The partnership of Ernst & Young is not required to hold an Australian Financial Services Licence under the *Corporations Act 2001* to provide this taxation advice.

We have not caused and take no responsibility for the publication of any part of the Publication in which this information sheet appears, other than this information sheet itself.

1. Income tax implications of Wire Group restructure

The income tax implications of each step of the Wire Group structure is as follows:

Step	Description	Income tax implication for you
1	Morpheus Fund acquired 2,761 shares in WG Germany (the “First Parcel Shares”), for EUR 3,037.10 (AUD 4,969.89).	<p>This step should not give rise to any immediate tax implications for you.</p> <p>The acquisition by Morpheus Fund of the First Parcel Shares should result in the acquisition of Capital Gains Tax (“CGT”) assets. You should have your own cost base in the First Parcel Shares. Your share of the cost base of AUD 4,969.89 will be determined by the General Partner in accordance with the Partnership Agreement.</p> <p>The acquisition date of the First Parcel Shares should be 30 June 2020.</p>
2	Morpheus Fund contributed all of its Series A Preferred Stock of WGH Delaware (6,087,446 shares) to WG Germany in exchange for the issuance of additional shares (i.e. 58,113 shares) in WG Germany (the “Second Parcel Shares”) pursuant to the Contribution and Exchange Agreement.	<p>CGT event A1 should happen in respect of the Series A Preferred Stock of WGH Delaware.</p> <p>The income tax implications for you are discussed in Section 2 below.</p>
3	WGH Delaware transferred all of its assets and assigned all other liabilities to WG Germany.	This Step should not give rise to any Australian tax implications for you.
4	WGH Delaware executed the plan of liquidation and was formally dissolved according to Delaware law.	This Step should not give rise to any Australian tax implications for you.
5	WG Germany’s AA and SHA were amended.	This Step should not give rise to any Australian tax implications for you.

2. Will the Wire Group restructure give rise to a capital gain or loss for taxation purposes?

Whether you make a capital gain or loss in the income year ended 30 June 2020 as a result of Step 2 will depend upon whether you choose to apply CGT roll-over relief.

2.1 Where you do not choose to apply CGT roll-over relief

If you do not choose the roll-over, the tax consequences for you should be as follows:

<p><i>Capital gain on disposal of Series A Preferred Stock in WGH Delaware</i></p>	<p>You should make a capital gain in the income year ended 30 June 2020. That capital gain arising to you should be your share of the overall capital gain calculated at the Morpheus Fund level of AUD 536,246. The General Partner will determine your share of the capital gain in accordance with the Partnership Agreement.</p> <p>If you had entered Morpheus Fund prior to 30 June 2019 and fall into one of the following categories, you should be entitled to a discount on your share of the capital gain as follows:</p> <ul style="list-style-type: none"> ▶ individuals (including partners in partnerships) and trusts – 50% ▶ complying superannuation entities – 33.33%
<p><i>Cost base of Second Parcel Shares</i></p>	<p>You have a separate cost base for your interest in the Second Parcel Shares, based on your share of the market value of the Second Parcel Shares acquired by Morpheus Fund. Based on the valuation report received by Morpheus Fund, the market value of the Second Parcel shares is AUD 3,218,290.</p> <p>Your share of this cost base will be determined by the General Partner in accordance with the Partnership Agreement.</p>
<p><i>Date of Acquisition</i></p>	<p>The date of acquisition of the Second Parcel Shares should be 30 June 2020</p>

2.2 *Where you choose to apply CGT roll-over relief*

If you choose the roll-over in accordance with section 3 below, the tax consequences for you should be as follows:

<i>Capital gain on contribution of shares by Morpheus Fund</i>	The capital gain that arises on disposal by Morpheus Fund of the Series A Preferred Stock of WGH Delaware should be disregarded by you.
<i>Cost base of Second Parcel Shares</i>	<p>You have a separate cost base for your interest in the Second Parcel Shares, based on your share of the cost base of the original Series A Preferred Stock at the Morpheus Fund level of AUD 2,682,043.</p> <p>Your share of this cost base will be determined by the General Partner in accordance with the Partnership Agreement.</p>
<i>Date of Acquisition of Second Parcel Shares</i>	The date of acquisition of the Second Parcel Shares for the purposes of working out a discount capital gain on any subsequent CGT event (such as a disposal) for the Second Parcel Shares should be 11 February 2019.

3. How to make the choice to obtain CGT roll-over relief?

A choice to obtain CGT roll-over relief must be made by the due date for lodgement of your income tax return year ended 30 June 2020. The way you prepare your return is evidence of the making of a choice. In particular, the following disclosure item in the income tax return should be prepared as follows:

Entity type of Partner	Disclosure item (based on the 2020 income tax return form)	Response / Roll-over relief code
Company	Item 7G Item 7M	Print X in the "Yes" box F
Individual	Item 18G of the <i>Tax return for individuals (supplementary section)</i> Item 18M of the <i>Tax return for individuals (supplementary section)</i>	Print X in the Yes box F
Trust	Item 21G Item 21M	Print X in the Yes box F
Superannuation Fund	Item 10G Item 10M	Print X in the Yes box F
Self-Managed Superannuation Fund	Item 11G Item 11M	Print X in the Yes box F
Partnership	No CGT disclosure. All CGT gains / losses to be disclosed in the partner's income tax return	-

A Partner that is a company, trust or superannuation fund may be required to complete and lodge a Capital gains tax (CGT) schedule 2020.

Additional requirements for the roll-over are triggered in this case because the shareholders in WG Germany following the Wire Group restructure are the same as those of WGH Delaware immediately before the restructure. Relevantly, the Partner and WG Germany will be required to jointly choose the roll-over for the Partner to qualify for roll-over relief.

WG Germany is not required to lodge an income tax return in Australia. In order for the Partner to properly evidence that the roll-over has been made jointly with WG Germany, we recommend that a Partner that wishes to apply the roll-over should execute the form at Attachment A with WG Germany prior to lodgement of the Partner's income tax return for the year ended 30 June 2020. The form does not need to be lodged with the Australian Tax Office but should be kept with your tax records.

Ernst & Young

8 February 2021

Panic Superannuation Fund

Wire Group Holdings GmbH ("WG Germany")

Capital Gains Tax Rollover Relief

I, **Panic Superannuation Fund**, have transferred all of my shares in Wire Group Holdings, Inc. ("WGH Delaware") held through Morpheus Ventures I-A L.P. ("Morpheus Fund") to Wire Group Holdings GmbH ("WG Germany"), formerly known as BBT 03/20 Vermögensverwaltungs GmbH, in exchange for shares in WG Germany (the "Share Transfer"), as contemplated by the Contribution and Exchange Agreement dated 30 June 2020, to which Morpheus Fund and WG Germany are both parties.

WG Germany and I jointly choose to apply capital gains tax rollover to the Share Transfer pursuant to Subdivision 124-M of the *Income Tax Assessment Act 1997*.

I confirm that my cost base in the WGH Delaware shares transferred is **\$36,560.03**.

Panic Superannuation Fund

Wire Group Holdings GmbH

Signature of Trustee

Signature of Director

Name of Trustee (print)

Name of Director (print)

Dated:

Dated:



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