

ARYA Sciences Acquisition Corp III
51 Astor Place, 10th Floor
New York, NY 10003
U.S. Tax ID# 98-1541723

Supplemental U.S. Federal Income Tax Considerations

As discussed more fully in the registration statement on Form S-1 (Reg. No. 333-239986), originally filed with the U.S. Securities and Exchange Commission on July 21, 2020, as thereafter amended and supplemented from time to time, under the section captioned “Taxation — United States Federal Income Tax Considerations — U.S. Holders — Passive Foreign Investment Company Rules” (the “Tax Disclosure”), if ARYA Sciences Acquisition Corp III (“Arya III”) is a passive foreign investment company, or a “PFIC,” for any taxable year, U.S. Holders (as defined in the Tax Disclosure) of our Class A ordinary shares or warrants may be subject to adverse U.S. federal income tax consequences with respect to distributions on, and sales of, our stock and may be subject to additional reporting requirements.

Based on our assets and the nature of our income, we believe it is likely that we were a PFIC for our taxable years ended December 31, 2020. You should consult the Tax Disclosure and your own tax advisor for more details regarding the factors relevant to such determination and the potential consequences to you of such determination.

As described in further detail in the Tax Disclosure, a U.S. Holder generally may avoid certain adverse PFIC tax consequences with respect to our Class A ordinary shares (but not warrants) by timely and validly making one of the two following elections for our first taxable year during which such holder held our Class A ordinary shares and during which we were a PFIC: (1) a qualifying electing fund (“QEF”) election, under which the U.S. Holder generally must include in its taxable income its ratable share of our annual income on a current basis, or (2) a “mark-to-market” election, under which the U.S. Holder generally must include in its taxable income on an annual basis the excess, if any, of the fair market value of the Class A ordinary shares at the end of a taxable year over its adjusted basis in such shares.

Exhibit A contains a PFIC annual information statement intended to enable U.S. Holders to make QEF elections with respect to our taxable year ended December 31, 2020 and to enable any U.S. Holder that has made a QEF election to report such U.S. Holder’s pro-rata share of Arya III’s ordinary income and net capital gain for such taxable year.

U.S. Holders may make QEF elections or mark-to-market elections on Form 8621, which, as further described in the Tax Disclosure with respect to QEF elections, must be attached to the U.S. federal income tax return for the holder’s tax year to which the elections relate.

The U.S. federal income tax discussion set forth above is included for general information only and may not be applicable depending upon a holder’s particular situation. Holders are urged to consult their own tax advisors with respect to the tax consequences to them of the acquisition, ownership and disposition of our Class A ordinary shares and warrants, including the tax consequences under state, local, estate, foreign and other tax laws and tax treaties and the possible effects of changes in U.S. or other tax laws.

