

July 15, 2021

Mr. David Schulhof
Chairman of the Audit Committee

Mr. Julio Torres
Chief Executive Officer
Andina Acquisition Corp. III
250 West 57th Street, Suite 2223
New York, NY 10107

Gentlemen:

We are providing the enclosed PFIC Annual Information Statement for Andina Acquisition Corp. III (“Andina” or “the Company”) for the year ended December 31, 2020.

The Company is a blank check company, with no current active business. Based on the analysis performed, Andina meets the PFIC asset and income test for the current taxable year. However, pursuant to a start-up exception, a corporation will not be a PFIC for the first taxable year the corporation has gross income (the “start-up year”), if (1) no predecessor of the corporation was a PFIC; (2) the corporation satisfies the IRS that it will not be a PFIC for either of the two taxable years following the start-up year; and (3) the corporation is not in fact a PFIC for either of those years.

The PFIC statement attached takes the position that Andina is a PFIC for U.S. federal income tax purposes from January 1, 2020 to December 31, 2020. As a result, a U.S. investor in the current taxable year is considered a U.S. shareholder in a PFIC.

A U.S. shareholder is subject to the rules contained in Sections 1291 through 1298 of the Internal Revenue Code. A U.S. investor may elect to treat the arrangement as a “qualified electing fund” or QEF pursuant to Section 1295(b) of the Code with respect to the shareholder’s ownership interest in the PFIC. Once a QEF election is made, the election applies to all subsequent years.

Should an investor follow appropriate procedures and make a QEF election in the current year or, if applicable, an investor has made a QEF election in a prior year, the investor is taxed on the investor’s proportionate share of earnings computed under U.S. tax principles for each year in which the fund is a PFIC. An electing U.S. investor reports the share of earnings from the PFIC by filing IRS Form 8621, Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund.

The amounts reflected on the enclosed PFIC Annual Information Statement represent the Company’s ordinary earnings and net capital gain income for the tax year (“Reported Amounts”). As an investor, if a QEF election is effective, you should pick up your pro rata share of Company’s income for the number of days during the year that you held the investment.

Andina Acquisition Corp. III

July 15, 2021

Page 2

An investor who has made a QEF election may elect to defer paying the tax on the undistributed income of the PFIC, if any, on Form 8621. If this election is made under Section 1294 of the Code, the investor will be subject to an interest charge on the deferred tax. It is suggested that the investors consult with their tax advisors and the offering documents to determine whether to make a QEF election with respect to the ownership interest in Company.

The annual PFIC statement was prepared from information provided by you. Please review the information presented. If you note anything which may require a change, please contact us before issuing the statement to your investors.

Tax or Professional advice contained in or in accompanying this document, unless otherwise specifically stated, is not intended or written to be used, and cannot be used, for the purpose of (i) avoiding penalties under the Internal Revenue code, or (ii) promoting, marketing, or recommending to another party any transaction or matter that is contained in accompanying this document. In addition, unless otherwise specifically stated, any advice provided shall not be deemed a formal tax opinion upon which the addressee can rely.

We sincerely appreciate the opportunity to serve you. If you have any questions, regarding the annual PFIC statement, please do not hesitate to call.

Very truly yours,

Marcum LLP

A handwritten signature in black ink, appearing to read 'Luis Leon', written over a light blue horizontal line.

Luis F. Leon, CPA

LL/mm

July 15, 2021

Attention: U.S. Shareholders of Andina Acquisition Corp. III

IMPORTANT TAX NOTICE

Re: 2020 PFIC Status

This statement is provided for shareholders who are United States persons for purposes of the U.S. Internal Revenue Code. It is not relevant to other shareholders.

Andina Acquisition Corp. III (or “the Company”) meets the Internal Revenue Code definition of a passive foreign investment company (“PFIC”) for the taxable year ended December 31, 2020. The Company is hereby making available PFIC Annual Information Statements for Andina Acquisition Corp. III for their taxable years beginning on January 1, 2020 and ending on December 31, 2020 pursuant to the requirements of Treasury Regulation Section 1.1295-1(g)(1).

The PFIC Annual Information Statements contain information to enable you, should you choose, to elect to treat Andina Acquisition Corp. III as a Qualified Electing Fund (“QEF”).

A U.S. shareholder who makes a QEF election for Andina Acquisition Corp. III is required annually to include in his or her income or his or her pro rata share of the ordinary earnings and net capital gains for Andina Acquisition Corp. III. The QEF election is made by completing and attaching Form 8621 for each PFIC to your federal income tax return filed by the due date of the return, including extensions.

U.S. shareholders are advised to consult with their tax advisors with respect to the 2020 PFIC Annual Information Statement.

Further information on PFIC rules is available on the internet at the Internal Revenue Service website, including the following pages:

Detailed information about PFICs and the QEF election: <https://www.irs.gov/instructions/i8621>

Instructions to complete Form 8621: <https://www.irs.gov/pub/irs-pdf/i8621.pdf>

Form 8621: <https://www.irs.gov/pub/irs-pdf/f8621.pdf>

THIS INFORMATION IS PROVIDED IN ORDER TO ASSIST SHAREHOLDERS IN MAKING CALCULATIONS AND DOES NOT CONSTITUTE TAX ADVICE. SHAREHOLDERS ARE ADVISED TO CONSULT THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP OF ANDINA ACQUISITION CORP. III ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER THE UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN LAW.

PFIC Annual Information Statement**Andina Acquisition Corp. III**

- 1) This Information Statement applies to the taxable year of Andina Acquisition Corp. III beginning on January 1, 2020 and ending on December 31, 2020 (the “Taxable Year”).
- 2) Your pro rata share of Andina Acquisition Corp. III’s ordinary earnings for the Taxable Year can be determined as follows:
- i) If you owned Andina Acquisition Corp. III’s shares for the entire period from January 1, 2020 through December 31, 2020, you should multiply the number of shares by the “Ordinary Income Per Share” amount below.

	Total Ordinary Income	Ordinary Income Per Share
Insider Shares	US\$ 27.00	US\$ 0.000021
Private Units	US\$ 4.00	US\$ 0.000020
Public Shares	US\$ 556,095	US\$ 0.054125

- ii) If you did not own all of your Andina Acquisition Corp. III shares for the entire 366 day period, your daily pro rata share of Andina Acquisition Corp. III’s ordinary earnings is:

	Daily Ordinary Income Pro Rata Share
Insider Shares (January 1 – December 31, 2020)	US\$ 0.000000
Private Units (January 1 – December 31, 2020)	US\$ 0.000000
Public Shares (January 1 – December 31, 2020)	US\$ 0.000294

- iii) If you owned Andina Acquisition Corp. III’s shares for the period from January 1, 2020 through July 30, 2020, you should multiply the number of shares by the “Ordinary Income Per Share” amount below.

	Total Ordinary Income	Ordinary Income Per Share
Public Shares	US\$ 537,592	US\$ 0.049777

- iv) If you did not own all of your Andina Acquisition Corp. III shares for the entire 212 days of the previous period, your daily pro rata share of Andina Acquisition Corp. III's ordinary earnings is:

	Daily Ordinary Income Pro Rata Share
Public Shares (January 1 - July 30, 2020)	US\$ 0.000235

- v) If you owned Andina Acquisition Corp. III's shares for the period from July 31, 2020 through November 6, 2020, you should multiply the number of shares by the "Ordinary Income Per Share" amount below.

	Total Ordinary Income	Ordinary Income Per Share
Public Shares	US\$ 16,012	US\$ 0.002464

- vi) If you did not own all of your Andina Acquisition Corp. III shares for the entire 99 days of the previous period, your daily pro rata share of Andina Acquisition Corp. III's ordinary earnings is:

	Daily Ordinary Income Pro Rata Share
Public Shares (July 31 – November 6, 2020)	US\$ 0.000025

- vii) If you owned Andina Acquisition Corp. III's shares for the period from November 7, 2020 through December 31, 2020, you should multiply the number of shares by the "Ordinary Income Per Share" amount below.

	Total Ordinary Income	Ordinary Income Per Share
Public Shares	US\$ 2,491	US\$ 0.001884

- vii) If you did not own all of your Andina Acquisition Corp. III shares for the entire 55 days of the previous period, your daily pro rata share of Andina Acquisition Corp. III's ordinary earnings is:

	Daily Ordinary Income Pro Rata Share
Public Shares (November 7 – December 31, 2020)	US\$ 0.000034

U.S. shareholders are advised to consult with their tax advisors with respect to the calculation of their pro rata share of Andina Acquisition Corp. III's ordinary earnings and net short term and long term capital gain for the Taxable Year.

- 1) The amount of cash and the fair market value of other property distributed or deemed distributed by Andina Acquisition Corp. III during the Taxable Year are as follows:

Cash:	US \$0.00
Fair Market Value of Property:	US \$0.00

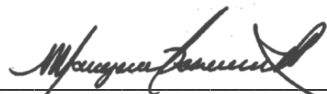
- 2) The Summary of Annual Information of Andina Acquisition Corp. III is as follows:

- a) Description of each class of shares – **Ordinary share.**
- b) Total number of Public Shares outstanding at each period:
 - i) Up to July 30, 2020 **10,800,000**
 - ii) Between July 31, 2020 and November 6, 2020 **6,496,904**
 - iii) Between November 7, 2020 and December 31, 2020 **1,322,396**
- c) Total FMV of Public shares at each period:
 - i) July 30, 2020 **US\$ 10.24 per share**
 - ii) November 6, 2020 **US\$ 10.04 per share**
 - iii) December 31, 2020 – **US\$ 10.66 per share**

- 3) Any shareholders making a QEF election will be permitted by Andina Acquisition Corp. III to inspect and copy its permanent books of account, records, and such other documents as are maintained by Andina Acquisition Corp. III that are necessary to establish that Andina Acquisition Corp. III's ordinary earnings and net capital gain, as provided in section 1293(e) of the U.S. Internal Revenue Code, are computed in accordance with U.S. income tax principles, and to verify these amounts and your pro rata share thereof.

Andina Acquisition Corp. III

Date: 7/15/2020

By: 
Authorized Representative