

PFIC Annual Information Statement:

Perception Capital Corp. III

IMPORTANT TAX NOTICE TO SHAREHOLDERS WHO ARE UNITED STATES

PERSONS

We believe that Perception Capital Corp. III f/k/a Portage Fintech Acquisition Corp. (the "Company") meet the definition of "Passive Foreign Investment Corporations" ("PFICs") for the taxable year ending on December 31, 2023.

The attached PFIC Annual Information Statements are being provided for shareholders who are United States persons pursuant to the requirements of Treasury Regulation Section 1.1295-1(g)(1). The PFIC Annual Information Statement contains information to enable you, should you so choose based on the advice of your tax advisors in light of your tax circumstances, to elect to treat the Company as a Qualified Electing Fund ("QEF").

A United States person who makes a QEF election generally is required to annually include in his or her income his or her pro rata share of the ordinary earnings and net capital gains of the Company for years in which the Company is a PFIC, whether or not the Company distributes any amounts to its shareholders. If you do not elect to treat the Company as a QEF, then if the Company is a PFIC for any year during your holding period, adverse tax consequences could result. In addition, in a multi-tiered PFIC structure, the PFIC Annual Information Statement must also include the amount of cash and the fair market value of other properties distributed or deemed distributed to the shareholders during the taxable year of the PFICs pursuant to Section 1.1295-1(g)(3).

The shareholder's QEF election is generally made on Form 8621 ("Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund") attached to the shareholder's federal income tax return that is filed on or before the due date of the return, including extensions. There are also other reporting options available on Form 8621, such as the mark-to-market election under Section 1296 of the Internal Revenue Code of 1986, as amended. Because the stock of the Company is traded on the NASDAQ stock exchange, and should be regularly traded thereon, we believe stock of the Company should be treated as "marketable stock," which would generally enable a shareholder to make this election. A shareholder who makes this election generally is required to annually include in ordinary income the excess amount (if any) of the fair market value of the stock as of the close of the taxable year over the shareholder's adjusted basis in such stock. If instead the shareholder's adjusted basis in such stock exceeds such fair market value, then in some cases that excess may be available as a deduction against other income. A mark-to-market election, or a QEF election, generally is effective for not only the taxable year of the annual federal income tax return to which the Form 8621 on which the election is made is attached, but for subsequent years as well. Shareholders should consult with their tax advisers to determine whether a QEF election or a mark-to-market election should be made.

THE INFORMATION INCLUDED IN THIS LETTER AND IN THE PFIC STATEMENT ATTACHED DOES NOT CONSTITUTE TAX ADVICE. THE U.S. TAX LAWS REGARDING PFICS ARE EXTREMELY COMPLEX AND SHAREHOLDERS ARE ADVISED TO CONSULT WITH THEIR OWN TAX ADVISORS CONCERNING THE OVERALL TAX CONSEQUENCES OF THE OWNERSHIP OF UNITS ARISING IN THEIR OWN PARTICULAR SITUATIONS UNDER UNITED STATES FEDERAL, STATE, LOCAL OR FOREIGN LAW AS WELL AS TO DETERMINE APPROPRIATE REPORTING OBLIGATIONS.

PFIC Annual Information Statement

This information statement applies to Perception Capital Corp. III, a foreign corporation organized under the laws of the Cayman Islands. Perception Capital Corp. III believes that it is a Passive Foreign Investment Company (“PFIC”) for the tax period ending December 31, 2023 for U.S. tax purposes. If an election has been made to treat this PFIC as a Qualified Electing Fund (“QEF”) by filing Form 8621, the following information is relevant.

1. The taxable year of Perception Capital Corp. III began on January 1, 2023 and ended on December 31, 2023 (the “Taxable Year”).

2. Outstanding number of ordinary shares on December 31, 2023: 10,388,215.

3. During the Taxable Year, the Company’s per-share, per-day ordinary earnings and net capital gain were:

Ordinary Income: \$0.001558

Net Capital Gains: \$0

4. Cash and fair market value of other property distributed or deemed distributed per-share, per-day by the Company for the Taxable Year:

Cash Distributions: \$0

Property Distributions: \$0

The Company will permit shareholders who are United States persons to inspect and copy its permanent books of account, records, and such other documents as may be maintained by the Company that are necessary to establish that the Company’s ordinary earnings and net capital gain, as defined in Section 1293(e) of the Internal Revenue Code of 1986, as amended, are computed in accordance with U.S. income tax principles; and to verify these amounts and the shareholder’s pro rata share thereof.