

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the quarterly period ended September 30, 2022

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR
For the transition period from _____ to _____

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.

(Exact name of registrant as specified in its charter)

Cayman Islands
(State or other jurisdiction of incorporation or organization)

001-40273
(Commission File Number)

98-1574762
(IRS Employer Identification No.)

4301 50th Street NW,
Suite 300 PMB 1044,
Washington, D.C.
(Address Of Principal Executive Offices)

20016
(Zip Code)

(202) 918-7050
Registrant's telephone number, including area code
Not Applicable
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Units, each consisting of one Class A ordinary share, \$0.0001 par value, and one-fifth of one redeemable warrant to purchase one Class A ordinary share | STRE.U | The New York Stock Exchange |
| Class A ordinary shares, par value \$0.0001 per share | STRE | The New York Stock Exchange |
| Warrants, each whole exercisable for one Class A ordinary share at an exercise price of \$11.50 per share | STRE WS | The New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|-------------------------|-------------------------------------|---------------------------|-------------------------------------|
| Large accelerated filer | <input type="checkbox"/> | Accelerated filer | <input type="checkbox"/> |
| Non-accelerated filer | <input checked="" type="checkbox"/> | Smaller reporting company | <input checked="" type="checkbox"/> |
| Emerging growth company | <input checked="" type="checkbox"/> | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of November 2, 2022, 28,103,449 shares of Class A ordinary shares, par value \$0.0001 per share, and 7,025,862 shares of Class B ordinary shares, par value \$0.0001 per share, were issued and outstanding.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
Form 10-Q
For the Quarter Ended September 30, 2022
Table of Contents

| | Page |
|---|-------------|
| PART I. FINANCIAL INFORMATION | |
| Item 1. Condensed Financial Statements | 1 |
| Condensed Balance Sheets as of September 30, 2022 (unaudited) and December 31, 2021 | 1 |
| Unaudited Condensed Statements of Operations for The Three and Nine Months Ended September 30, 2022 and 2021 | 2 |
| Unaudited Condensed Statements of Changes in Shareholders' Equity (Deficit) for the Three and Nine Months Ended September 30, 2022 and 2021 | 3 |
| Unaudited Condensed Statements of Cash Flows for the Nine Months Ended September 30, 2022 and 2021 | 5 |
| Notes to Unaudited Condensed Financial Statements | 6 |
| Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations | 21 |
| Item 3. Quantitative and Qualitative Disclosures About Market Risk | 26 |
| Item 4. Controls and Procedures | 26 |
| PART II. OTHER INFORMATION | |
| Item 1. Legal Proceedings | 27 |
| Item 1A. Risk Factors | 27 |
| Item 2. Unregistered Sales of Equity Securities and Use of Proceeds from Registered Securities | 28 |
| Item 3. Defaults Upon Senior Securities | 28 |
| Item 4. Mine Safety Disclosures | 28 |
| Item 5. Other Information | 28 |
| Item 6. Exhibits | 29 |

PART I. FINANCIAL INFORMATION

Item 1. Condensed Financial Statements

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
CONDENSED BALANCE SHEETS

| | September 30, 2022 (unaudited) | December 31, 2021 |
|---|-----------------------------------|-----------------------|
| Assets | | |
| Current assets: | | |
| Cash | \$ 129,068 | \$ 666,300 |
| Prepaid expenses - current | 123,737 | 225,750 |
| Total current assets | 252,805 | 892,050 |
| Prepaid expenses - long-term | - | 47,412 |
| Investments held in Trust Account | 282,679,131 | 281,049,184 |
| Total Assets | \$ 282,931,936 | \$ 281,988,646 |
| Liabilities, Class A Ordinary Shares Subject to Possible Redemption and Shareholders' Deficit | | |
| Current liabilities: | | |
| Accounts payable | \$ 246,853 | \$ 302,391 |
| Accrued expenses | 1,024,134 | 968,262 |
| Total current liabilities | 1,270,987 | 1,270,653 |
| Deferred underwriting commissions | 9,836,207 | 9,836,207 |
| Derivative warrant liabilities | 754,490 | 8,487,930 |
| Total liabilities | 11,861,684 | 19,594,790 |
| Commitments and Contingencies (Note 5) | | |
| Class A ordinary shares subject to possible redemption, \$0.0001 par value; 28,103,449 shares at \$10.05 and \$10.00 per share as of September 30, 2022 and December 31, 2021, respectively | 282,579,131 | 281,034,490 |
| Shareholders' Deficit | | |
| Preference shares, \$0.0001 par value; 5,000,000 shares authorized; no shares issued or outstanding | - | - |
| Class A ordinary shares, \$0.0001 par value; 500,000,000 shares authorized; no non-redeemable shares issued or outstanding | - | - |
| Class B ordinary shares, \$0.0001 par value; 50,000,000 shares authorized; 7,025,862 shares issued and outstanding as of September 30, 2022 and December 31, 2021 | 703 | 703 |
| Additional paid-in capital | - | - |
| Accumulated deficit | (11,509,582) | (18,641,337) |
| Total shareholders' deficit | (11,508,879) | (18,640,634) |
| Total Liabilities, Class A Ordinary Shares Subject to Possible Redemption and Shareholders' Deficit | \$ 282,931,936 | \$ 281,988,646 |

The accompanying notes are an integral part of these unaudited condensed financial statements.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
UNAUDITED CONDENSED STATEMENTS OF OPERATIONS

STATEMENTS OF OPERATIONS

| | For the Three Months Ended September 30, | | For the Nine Months Ended September 30, | |
|--|---|---------------------|--|------------------------|
| | 2022 | 2021 | 2022 | 2021 |
| General and administrative expenses | \$ 168,617 | \$ 712,169 | \$ 686,991 | \$ 1,705,435 |
| Loss from operations | (168,617) | (712,169) | (686,991) | (1,705,435) |
| Other income (expense) | | | | |
| Change in fair value of derivative warrant liabilities | 754,480 | 1,828,100 | 7,733,440 | 116,030 |
| Financing costs - derivative warrant liabilities | - | - | - | (321,903) |
| Gain on investments held in Trust Account | 1,243,653 | 4,244 | 1,629,947 | 8,729 |
| Net income (loss) | <u>\$ 1,829,516</u> | <u>\$ 1,120,175</u> | <u>\$ 8,676,396</u> | <u>\$ (1,902,579)</u> |
| Weighted average shares outstanding of Class A ordinary shares, basic and diluted | <u>28,103,449</u> | <u>28,103,449</u> | <u>28,103,449</u> | <u>19,479,601</u> |
| Basic and diluted net income (loss) per share, Class A ordinary shares | <u>\$ 0.05</u> | <u>\$ 0.03</u> | <u>\$ 0.25</u> | <u>\$ (0.07)</u> |
| Weighted average shares outstanding of Class B ordinary shares, basic and diluted | <u>7,025,862</u> | <u>7,025,862</u> | <u>7,025,862</u> | <u>6,662,088</u> |
| Basic and diluted net income (loss) per share, Class B ordinary shares | <u>\$ 0.05</u> | <u>\$ 0.03</u> | <u>\$ 0.25</u> | <u>\$ (0.07)</u> |

The accompanying notes are an integral part of these unaudited condensed financial statements.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
UNAUDITED CONDENSED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIT)

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022

| | Ordinary Shares | | | | Additional Paid-in Capital | Accumulated Deficit | Total Shareholders' Deficit |
|---|-----------------|--------|-----------|--------|----------------------------------|------------------------|-----------------------------------|
| | Class A | | Class B | | | | |
| | Shares | Amount | Shares | Amount | | | |
| Balance - December 31, 2021 | - | \$ - | 7,025,862 | \$ 703 | \$ - | \$ (18,641,337) | \$ (18,640,634) |
| Net income | - | - | - | - | - | 3,849,942 | 3,849,942 |
| Balance - March 31, 2022 (unaudited) | - | \$ - | 7,025,862 | \$ 703 | \$ - | \$ (14,791,395) | \$ (14,790,692) |
| Net income | - | - | - | - | - | 2,996,938 | 2,996,938 |
| Remeasurement of redemption value of Class A ordinary shares subject to redemption | - | - | - | - | - | (300,989) | (300,989) |
| Balance - June 30, 2022 (unaudited) | - | \$ - | 7,025,862 | \$ 703 | \$ - | \$ (12,095,446) | \$ (12,094,743) |
| Net income | - | - | - | - | - | 1,829,516 | 1,829,516 |
| Remeasurement of redemption value of Class A ordinary shares subject to redemption | - | - | - | - | - | (1,243,652) | (1,243,652) |
| Balance - September 30, 2022 (unaudited) | - | \$ - | 7,025,862 | \$ 703 | \$ - | \$ (11,509,582) | \$ (11,508,879) |

The accompanying notes are an integral part of these unaudited condensed financial statements.

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2021

| | Ordinary Shares | | | | Additional Paid-in Capital | Accumulated Deficit | Total Shareholders' Deficit |
|---|-----------------|--------|------------|--------|----------------------------------|------------------------|-----------------------------------|
| | Class A | | Class B | | | | |
| | Shares | Amount | Shares | Amount | | | |
| Balance - December 31, 2020 | - | \$ - | 7,187,500 | \$ 719 | \$ 24,281 | \$ (9,414) | \$ 15,586 |
| Excess of cash received over fair value of private placement warrants | - | - | - | - | 3,360,000 | - | 3,360,000 |
| Accretion of Class A ordinary shares to redemption amount | - | - | - | - | (3,384,281) | (15,673,854) | (19,058,135) |
| Net loss | - | - | - | - | - | (593,464) | (593,464) |
| Balance - March 31, 2021 (unaudited) | - | \$ - | 7,187,500 | \$ 719 | \$ - | \$ (16,276,732) | \$ (16,276,013) |
| Excess of cash received over fair value of private placement warrants | - | - | - | - | 288,620 | - | 288,620 |
| Forfeiture of Class B ordinary shares | - | - | (161,638) | (16) | 16 | - | - |
| Accretion of Class A ordinary shares to redemption amount | - | - | - | - | (288,636) | (2,016,541) | (2,305,177) |
| Net loss | - | - | - | - | - | (2,429,290) | (2,429,290) |
| Balance - June 30, 2021 (unaudited) | - | \$ - | 7,025,862 | \$ 703 | \$ - | \$ (20,722,563) | \$ (20,721,860) |
| Net income | - | - | - | - | - | 1,120,175 | 1,120,175 |
| Balance - September 30, 2021 (unaudited) | - | \$ - | 7,025,862 | \$ 703 | \$ - | \$ (19,602,388) | \$ (19,601,685) |

The accompanying notes are an integral part of these unaudited condensed financial statements.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
UNAUDITED CONDENSED STATEMENTS OF CASH FLOWS

STATEMENTS OF CASH FLOWS

| | For the Nine Months Ended September 30, | |
|--|--|-----------------------|
| | 2022 | 2021 |
| Cash Flows from Operating Activities: | | |
| Net income (loss) | \$ 8,676,396 | \$ (1,902,579) |
| Adjustments to reconcile net income (loss) to net cash used in operating activities: | | |
| Change in fair value of derivative warrant liabilities | (7,733,440) | (116,030) |
| Financing costs - derivative warrant liabilities | - | 321,903 |
| Gain on investments held in Trust Account | (1,629,947) | (8,729) |
| Changes in operating assets and liabilities: | | |
| Prepaid expenses | 149,425 | (313,038) |
| Accounts payable | 29,462 | 125,000 |
| Accrued expenses | 55,872 | 1,077,474 |
| Net cash used in operating activities | <u>(452,232)</u> | <u>(815,999)</u> |
| Cash Flows from Investing Activities: | | |
| Cash deposited in Trust Account | - | (281,034,490) |
| Net cash used in investing activities | <u>-</u> | <u>(281,034,490)</u> |
| Cash Flows from Financing Activities: | | |
| Proceeds from note payable to related party | - | 300,000 |
| Repayment of note payable to related party | - | (300,000) |
| Proceeds received from initial public offering, gross | - | 281,034,490 |
| Proceeds received from private placement | - | 7,620,690 |
| Offering costs paid | (85,000) | (6,095,908) |
| Net cash (used in) provided by financing activities | <u>(85,000)</u> | <u>282,559,272</u> |
| Net change in cash | (537,232) | 708,783 |
| Cash - beginning of the period | 666,300 | - |
| Cash - end of the period | <u>\$ 129,068</u> | <u>\$ 708,783</u> |
| Supplemental disclosure of noncash financing activities: | | |
| Remeasurement of Class A ordinary shares | \$ 1,544,641 | \$ - |
| Offering costs included in accrued expenses | \$ - | \$ 85,000 |
| Deferred underwriting commissions | \$ - | \$ 9,836,207 |

The accompanying notes are an integral part of these unaudited condensed financial statements.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Note 1 - Description of Organization, Business Operations and Liquidity

Supernova Partners Acquisition Company III, Ltd. (the “Company”) was incorporated as a Cayman Islands exempted company on December 24, 2020. The Company was formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses (the “Business Combination”). The Company is an emerging growth company and, as such, the Company is subject to all the risks associated with emerging growth companies.

As of September 30, 2022, the Company had not commenced any operations. All activity for the period from December 24, 2020 (inception) through September 30, 2022, relates to the Company’s formation and the initial public offering (the “Initial Public Offering”) described below, and since the Initial Public Offering, the search for an initial Business Combination. The Company will not generate any operating revenues until after the completion of its initial Business Combination, at the earliest. The Company generates non-operating income in the form of interest income on from the proceeds from the Initial Public Offering held in the trust account.

The Company’s sponsor is Supernova Partners III LLC, a Cayman Islands exempted company (the “Sponsor”). The registration statement for the Company’s Initial Public Offering was declared effective on March 22, 2021. On March 25, 2021, the Company consummated its Initial Public Offering of 25,000,000 units (the “Units” and, with respect to the Class A ordinary shares included in the Units being offered, the “Public Shares”), at \$ 10.00 per Unit, generating gross proceeds of \$250.0 million, and incurring offering costs of approximately \$14.3 million, of which approximately \$8.8 million was for deferred underwriting commissions (see Note 5).

The Company granted the underwriters in the Initial Public Offering (the “Underwriters”) a 45-day option to purchase up to 3,750,000 additional Units to cover over-allotments, if any. The Underwriters exercised the over-allotment option in part and on April 1, 2021 purchased an additional 3,103,449 Units, generating gross proceeds of approximately \$31.0 million (the “Over-Allotment”), and incurring additional offering costs of approximately \$1.7 million in offering costs, of which approximately \$1.1 million was for deferred underwriting fees.

Simultaneously with the closing of the Initial Public Offering, the Company consummated the private placement (“Private Placement”) of 3,500,000 warrants (each, a “Private Placement Warrant” and collectively, the “Private Placement Warrants”), at a price of \$ 2.00 per Private Placement Warrant with the Sponsor, generating gross proceeds of \$7.0 million (see Note 4).

Simultaneously with the closing of the Over-Allotment on April 1, 2021, the Company consummated the second closing of the Private Placement, resulting in the purchase of an aggregate of an additional 310,345 Private Placement Warrants by the Sponsor, generating gross proceeds to the Company of approximately \$621,000.

In addition, the Sponsor agreed to forfeit up to 937,500 Class B ordinary shares, par value \$0.0001 (the “Founder Shares”) to the extent that the over-allotment option was not exercised in full by the Underwriters. The Underwriters partially exercised their over-allotment option on April 1, 2021, and subsequently on May 9, 2021, the Sponsor forfeited 161,638 Class B ordinary shares.

Upon the closing of the Initial Public Offering, the Over-Allotment, and the Private Placement, \$281.0 million (\$10.00 per Unit) of the net proceeds of the Initial Public Offering and certain of the proceeds of the Private Placement was placed in a trust account (“Trust Account”), located in the United States at J.P. Morgan Chase Bank, N.A., with American Stock Transfer & Trust Company acting as trustee, and invested only in U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act of 1940, as amended (the “Investment Company Act”), with a maturity of 185 days or less or in any open-ended investment company that holds itself out as a money market fund selected by the Company meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by the Company, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account as described below.

The Company’s management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that the Company will be able to complete a Business Combination successfully. The Company must complete one or more initial Business Combinations having an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the amount of any deferred underwriting discount held in trust) at the time of the signing of the agreement to enter into the initial Business Combination. However, the Company will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

The Company will provide its holders of its Public Shares (the “Public Shareholders”) with the opportunity to redeem all or a portion of their Public Shares upon the completion of a Business Combination either (i) in connection with a general meeting called to approve the Business Combination or (ii) by means of a tender offer. The decision as to whether the Company will seek shareholder approval of a Business Combination or conduct a tender offer will be made by the Company, solely in its discretion. The Public Shareholders will be entitled to redeem their Public Shares for a pro rata portion of the amount then in the Trust Account (initially at \$10.00 per Public Share). The per-share amount to be distributed to Public Shareholders who redeem their Public Shares will not be reduced by the deferred underwriting commissions the Company will pay to the Underwriters (as discussed in Note 5). These Public Shares were classified as temporary equity in accordance with the Financial Accounting Standards Board’s (“FASB”) Accounting Standards Codification (“ASC”) Topic 480 “Distinguishing Liabilities from Equity.” In such case, the Company will proceed with a Business Combination if the Company has net tangible assets of at least \$5,000,001 upon such consummation of a Business Combination and a majority of the shares voted are voted in favor of the Business Combination. If a shareholder vote is not required by law and the Company does not decide to hold a shareholder vote for business or other legal reasons, the Company will, pursuant to its amended and restated memorandum and articles of association (the “Amended and Restated Memorandum and Articles of Association”), conduct the redemptions pursuant to the tender offer rules of the U.S. Securities and Exchange Commission (“SEC”) and file tender offer documents with the SEC prior to completing a Business Combination. If, however, shareholder approval of the transactions is required by law, or the Company decides to obtain shareholder approval for business or legal reasons, the Company will offer to redeem shares in conjunction with a proxy solicitation pursuant to the proxy rules and not pursuant to the tender offer rules. Additionally, each Public Shareholder may elect to redeem their Public Shares irrespective of whether they vote for or against the proposed transaction. If the Company seeks shareholder approval in connection with a Business Combination, the initial shareholders (as defined below) agreed to vote their Founder Shares (as defined below in Note 4) and any Public Shares purchased during or after the Initial Public Offering in favor of a Business Combination. Subsequent to the consummation of the Initial Public Offering, the Company has adopted an insider trading policy which will require insiders to: (i) refrain from purchasing shares during certain blackout periods and when they are in possession of any material non-public information and (ii) to clear all trades with the Company’s legal counsel prior to execution. In addition, the initial shareholders agreed to waive their redemption rights with respect to their Founder Shares and Public Shares in connection with the completion of a Business Combination.

Notwithstanding the foregoing, the Amended and Restated Memorandum and Articles of Association will provide that a Public Shareholder, together with any affiliate of such shareholder or any other person with whom such shareholder is acting in concert or as a “group” (as defined under Section 13 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”)), will be restricted from redeeming its shares with respect to more than an aggregate of 15% or more of the Class A ordinary shares sold in the Initial Public Offering, without the prior consent of the Company.

The Company’s Sponsor, officers and directors (the “initial shareholders”) agreed not to propose an amendment to the Amended and Restated Memorandum and Articles of Association that would modify the substance or timing of the Company’s obligation to redeem 100% of its Public Shares if the Company does not complete a Business Combination, unless the Company provides the Public Shareholders with the opportunity to redeem their Class A ordinary shares in conjunction with any such amendment.

If the Company is unable to complete a Business Combination within 24 months from the closing of the Initial Public Offering, or March 25, 2023 (the “Combination Period”), the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account (less taxes payable and up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

completely extinguish Public Shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any) and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the board of directors, liquidate and dissolve, subject, in the case of clauses (ii) and (iii), to the Company's obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law. There will be no redemption rights or liquidating distributions with respect to the warrants, which will expire worthless if the Company fails to complete its initial Business Combination within the Combination Period.

The Sponsor agreed to waive their liquidation rights with respect to the Founder Shares if the Company fails to complete a Business Combination within the Combination Period. However, if the Sponsor or members of the Company's management team acquire Public Shares in or after the Initial Public Offering, they will be entitled to liquidating distributions from the Trust Account with respect to such Public Shares if the Company fails to complete a Business Combination within the Combination Period. The Underwriters agreed to waive their rights to their deferred underwriting commission (see Note 5) held in the Trust Account in the event the Company does not complete a Business Combination within the Combination Period, and, in such event, such amounts will be included with the other funds held in the Trust Account that will be available to fund the redemption of the Public Shares. In the event of such distribution, it is possible that the per share value of the residual assets remaining available for distribution (including Trust Account assets) will be approximately \$10.00 per share, or less in certain circumstances. In order to protect the amounts held in the Trust Account, the Sponsor agreed to be liable to the Company if and to the extent any claims by a vendor for services rendered or products sold to the Company, or a prospective target business with which the Company has discussed entering into a transaction agreement, reduce the amount of funds in the Trust Account. This liability will not apply with respect to any claims by a third party who executed a waiver of any right, title, interest or claim of any kind in or to any monies held in the Trust Account or to any claims under the Company's indemnity of the Underwriters of the Initial Public Offering against certain liabilities, including liabilities under the Securities Act of 1933, as amended (the "Securities Act"). Moreover, in the event that an executed waiver is deemed to be unenforceable against a third party, the Sponsor will not be responsible to the extent of any liability for such third-party claims. The Company will seek to reduce the possibility that the Sponsor will have to indemnify the Trust Account due to claims of creditors by endeavoring to have all vendors, service providers, except the independent registered public accounting firm, prospective target businesses or other entities with which the Company does business, execute agreements with the Company waiving any right, title, interest or claim of any kind in or to monies held in the Trust Account.

Going Concern

As of September 30, 2022, the Company had approximately \$129,000 in its operating bank account and a working capital deficit of approximately \$1.0 million.

The Company has incurred and expects to incur significant costs in pursuit of its financing and acquisition plans. In connection with the Company's assessment of going concern considerations, the Company has until March 25, 2023 to consummate a Business Combination. It is uncertain that the Company will be able to consummate a Business Combination by this time. If a Business Combination is not consummated by this date, there will be a mandatory liquidation and subsequent dissolution of the Company. Management has determined that the liquidity condition and the mandatory liquidation, should a Business Combination not occur, and potential subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. The unaudited condensed financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Risks and Uncertainties

Management continues to evaluate the impact of the COVID-19 global pandemic on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Company's financial position, results of its operations, and/or search for a target company, the specific impact is not readily determinable as of the date of these unaudited condensed financial statements. The unaudited condensed financial statements do not include any adjustments that might result from the outcome of this uncertainty.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Note 2 - Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation

The accompanying unaudited condensed financial statements are presented in U.S. dollars in conformity with accounting principles generally accepted in the United States of America (“GAAP”) for financial information and pursuant to the rules and regulations of the SEC. Accordingly, they do not include all of the information and footnotes required by GAAP. In the opinion of management, the unaudited condensed financial statements reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the balances and results for the periods presented. Operating results for the three and nine months ended September 30, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022.

The accompanying unaudited condensed financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Annual Report on Form 10-K filed by the Company with the SEC on March 25, 2022. In the Annual Report on Form 10-K the Company had a typographical error in the Accumulated deficit balance reported on the Company’s balance sheet as of December 31, 2021, whereby the reported accumulated deficit of \$(18) should have been reported as (\$18,641,337). The accumulated deficit amount was reported correctly in the statements of changes in shareholders’ equity (deficit) for the year ended December 31, 2021 within the Annual Report on Form 10-K. The Company has corrected this typographical error in the accompanying unaudited condensed balance sheets.

Emerging Growth Company

The Company is an “emerging growth company,” as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the “JOBS Act”), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirements of Section 404 of the Sarbanes-Oxley Act of 2002, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company’s unaudited condensed financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Use of Estimates

The preparation of unaudited condensed financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the unaudited condensed financial statements and the reported amounts of revenues and expenses during the reporting period. Making estimates requires management to exercise significant judgment. It is at least reasonably possible that the estimate of the effect of a condition, situation or set of circumstances that existed at the date of the unaudited condensed financial statements, which management considered in formulating its estimate, could change in the near term due to one or more future confirming events. Accordingly, the actual results could differ from those estimates.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Concentration of Credit Risk

Financial instruments that potentially subject the Company to credit risk consist principally of cash and investments held in the Trust Account. Cash is maintained in accounts with financial institutions, which, at times may exceed the Federal Depository Insurance Corporation coverage limit of \$250,000, and investments held in the Trust Account. As of September 30, 2022 and December 31, 2021, the Company had not experienced losses on these accounts and management believes the Company is not exposed to significant risks on such accounts.

Cash and Cash Equivalents

The Company considers all short-term investments with an original maturity of three months or less when purchased to be cash equivalents. The Company had cash equivalents as of September 30, 2022 and December 31, 2021.

Investments Held in the Trust Account

The Company's portfolio of investments is comprised of U.S. government securities, within the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less, or investments in money market funds that invest in U.S. government securities and generally have a readily determinable fair value, or a combination thereof. When the Company's investments held in the Trust Account are comprised of U.S. government securities, the investments are classified as trading securities. When the Company's investments held in the Trust Account are comprised of money market funds, the investments are recognized at fair value. Trading securities and investments in money market funds are presented on the condensed balance sheets at fair value at the end of each reporting period. Gains and losses resulting from the change in fair value of these securities is included in income on investments held in the Trust Account in the accompanying statements of operations. The estimated fair values of investments held in the Trust Account are determined using available market information.

Fair Value of Financial Instruments

The fair value of the Company's assets and liabilities which qualify as financial instruments under the FASB ASC Topic 820, "Fair Value Measurements," equals or approximates the carrying amounts represented in the condensed balance sheets.

Fair Value Measurements

The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). These tiers consist of:

- Level 1, defined as observable inputs such as quoted prices for identical instruments in active markets;
- Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable such as quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in markets that are not active; and
- Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions, such as valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

In some circumstances, the inputs used to measure fair value might be categorized within different levels of the fair value hierarchy. In those instances, the fair value measurement is categorized in its entirety in the fair value hierarchy based on the lowest level input that is significant to the fair value measurement.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Derivative Warrant Liabilities

The Company does not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. The Company evaluates all of its financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC Topic 480 “Distinguishing Liabilities from Equity” (“ASC 480”) and FASB ASC Topic 815, “Derivatives and Hedging” (“ASC 815”). The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity is re-assessed at the end of each reporting period.

The warrants issued in connection with the Initial Public Offering (the “Public Warrants”) and the Private Placement Warrants are recognized as derivative liabilities in accordance with ASC 815. Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjusts the instruments to fair value at each reporting period. The liabilities are subject to re-measurement at each balance sheet date until exercised, and any change in fair value is recognized in the Company’s statements of operations. The fair value of the Public Warrants issued in connection with the Public Offering and Private Placement Warrants were initially measured at fair value using a Monte Carlo simulation model. Subsequent to the separate listing and trading of the Public Warrants the fair value of the Public Warrants has been measured based on the observable listed prices for such warrants and the fair value of the Private Warrants are measured by reference to the listed trading price of the Public Warrants. Derivative warrant liabilities are classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

Offering Costs Associated with the Initial Public Offering

Offering costs consisted of legal, accounting, underwriting fees and other costs incurred through the Initial Public Offering that were directly related to the Initial Public Offering. Offering costs are allocated to the separable financial instruments issued in the Initial Public Offering based on a relative fair value basis, compared to total proceeds received. Offering costs associated with derivative warrant liabilities are expensed as incurred, presented as non-operating expenses in the statements of operations. Offering costs associated with the Class A ordinary shares were charged against the carrying value of the Class A ordinary shares upon the completion of the Initial Public Offering. The Company classifies deferred underwriting commissions as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

Class A Ordinary Shares Subject to Possible Redemption

The Company accounts for its Class A ordinary shares subject to possible redemption in accordance with the guidance in ASC 480. Class A ordinary shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. Conditionally redeemable Class A ordinary shares (including Class A ordinary shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within the Company’s control) are classified as temporary equity. At all other times, Class A ordinary shares are classified as shareholders’ equity. The Company’s Class A ordinary shares feature certain redemption rights that are considered to be outside of the Company’s control and subject to the occurrence of uncertain future events. Accordingly, as of September 30, 2022 and December 31, 2021, the Company had 28,103,449 Class A ordinary shares subject to possible redemption presented as temporary equity, outside of the shareholders’ equity section of the Company’s condensed balance sheets.

Under ASC 480-10-S99, the Company has elected to recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of the reporting period. Effective with the closing of the Initial Public Offering (including exercise of the over-allotment option), the Company recognized the accretion from initial book value to redemption amount, which resulted in charges against additional paid-in capital (to the extent available) and accumulated deficit. Subsequently, the Company recognizes changes in the redemption value as a remeasurement adjustment, reflected on the accompanying unaudited condensed statements of changes in shareholders’ deficit.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Share-based Compensation

The transfer of the Founder Shares is in the scope of FASB ASC Topic 718, "Compensation-Stock Compensation" ("ASC 718"). Under ASC 718, stock-based compensation associated with equity-classified awards is measured at fair value upon the grant date. The Founders Shares were granted subject to a performance condition (i.e., the occurrence of a Business Combination). Compensation expense related to the Founders Shares is recognized only when the performance condition is probable of occurrence under the applicable accounting literature in this circumstance. As of the date of issuance of this Form 10-Q, the Company determined that a Business Combination is not considered probable, and, therefore, no stock-based compensation expense has been recognized. Stock-based compensation would be recognized at the date a Business Combination is considered probable (i.e., upon completion of a Business Combination) in an amount equal to the number of Founders Shares that ultimately vest multiplied times the grant date fair value per share (unless subsequently modified) less the amount initially received for the purchase of the Founders Shares.

Income Taxes

The Company follows the asset and liability method of accounting for income taxes under ASC 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC Topic 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company's management determined that the Cayman Islands is the Company's only major tax jurisdiction. The Company recognizes accrued interest and penalties related to unrecognized tax benefits as income tax expense. There were no unrecognized tax benefits and no amounts accrued for interest and penalties as of September 30, 2022 and December 31, 2021. The Company is currently not aware of any issues under review that could result in significant payments, accruals or material deviation from its position.

The Company is considered an exempted Cayman Islands company and is presently not subject to income taxes or income tax filing requirements in the Cayman Islands or the United States. As such, the Company's tax provision was zero for the period presented. The Company's management does not expect that the total amount of unrecognized tax benefits will materially change over the next twelve months.

Net Income (Loss) Per Ordinary Share

The Company complies with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." The Company has two classes of shares, which are referred to as Class A ordinary shares and Class B ordinary shares. Income and losses are shared pro rata between the two classes of shares. Net income (loss) per ordinary share is calculated by dividing the net income (loss) by the weighted average shares of ordinary shares outstanding for the respective period.

The calculation of diluted net income (loss) per ordinary share does not consider the effect of the warrants issued in connection with the Initial Public Offering (including exercise of the over-allotment option) and the Private Placement to purchase an aggregate of 9,431,035 shares of Class A ordinary shares in the calculation of diluted income (loss) per share, because their exercise is contingent upon future events and their inclusion would be anti-dilutive under the treasury stock method. Accretion associated with the redeemable Class A ordinary shares is excluded from earnings per share as the redemption value approximates fair value.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

The following table reflects presents a reconciliation of the numerator and denominator used to compute basic and diluted net loss per share for each class of ordinary shares:

| | <u>For the Three Months Ended September 30,</u> | | | | <u>For the Nine Months Ended September 30,</u> | | | |
|--|---|----------------|----------------|----------------|--|----------------|------------------|------------------|
| | <u>2022</u> | | <u>2021</u> | | <u>2022</u> | | <u>2021</u> | |
| | <u>Class A</u> | <u>Class B</u> | <u>Class A</u> | <u>Class B</u> | <u>Class A</u> | <u>Class B</u> | <u>Class A</u> | <u>Class B</u> |
| Basic and diluted net income (loss) per ordinary share: | | | | | | | | |
| <i>Numerator:</i> | | | | | | | | |
| Allocation of net income (loss) - basic and diluted | \$ 1,463,613 | \$ 365,903 | \$ 896,140 | \$ 224,035 | \$ 6,941,117 | \$ 1,735,279 | \$ (1,417,716) | \$ (484,863) |
| <i>Denominator:</i> | | | | | | | | |
| Basic and diluted weighted average ordinary shares outstanding | 28,103,449 | 7,025,862 | 28,103,449 | 7,025,862 | 28,103,449 | 7,025,862 | 19,479,601 | 6,662,088 |
| Basic and diluted net income (loss) per ordinary share | <u>\$ 0.05</u> | <u>\$ 0.05</u> | <u>\$ 0.03</u> | <u>\$ 0.03</u> | <u>\$ 0.25</u> | <u>\$ 0.25</u> | <u>\$ (0.07)</u> | <u>\$ (0.07)</u> |

Recent Accounting Pronouncements

The Company's management does not believe that any other recently issued, but not yet effective, accounting standards updates, if currently adopted, would have a material effect on the accompanying unaudited condensed financial statements.

Note 3 - Initial Public Offering

On March 25, 2021, the Company consummated its Initial Public Offering of 25,000,000 Units, at \$10.00 per Unit, generating gross proceeds of \$250.0 million, and incurring offering costs of approximately \$14.3 million, of which approximately \$8.8 million was for deferred underwriting commissions.

The Company granted the Underwriters a 45-day option to purchase up to 3,750,000 additional Units to cover over-allotments, if any. The Underwriters partially exercised the over-allotment option and on April 1, 2021, purchased an additional 3,103,449 Units, generating gross proceeds of approximately \$31.0 million, and incurring additional offering costs of approximately \$1.7 million in offering costs, of which approximately \$1.1 million was for deferred underwriting fees.

Each Unit consists of one Class A ordinary share, and one-fifth of one redeemable warrant (each, a "Public Warrant"). Each Public Warrant entitles the holder to purchase one Class A ordinary share at a price of \$11.50 per share, subject to adjustment (see Note 6).

Note 4 - Related Party Transactions

Founder Shares

On December 31, 2020, the Sponsor paid \$25,000 to cover certain expenses of the Company in consideration of the Founder Shares. On January 14, 2021, the Company effected a share dividend of 1,437,500 Class B ordinary shares, resulting in an aggregate of 7,187,500 Class B ordinary shares outstanding. On March 1, 2021, our Sponsor transferred 28,750 Founder Shares to each of our five independent director nominees. The fair value of the 143,750 Founder Shares granted to the five independent director nominees was \$710,000. The initial shareholders agreed to forfeit up to 937,500 Founder Shares to the extent that the over-allotment option is not exercised in full by the Underwriters, so that the Founder Shares will represent 20% of the Company's issued and outstanding shares after the Initial Public

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Offering. On April 1, 2021, the Underwriters partially exercised the over-allotment option to purchase an additional 3,103,449 Units. Subsequently, on May 9, 2021, the Sponsor forfeited 161,638 Class B ordinary shares.

The initial shareholders agreed, subject to limited exceptions, not to transfer, assign or sell any of their Founder Shares until the earlier to occur of (i) one year after the completion of the initial Business Combination or (ii) the date following the completion of the initial Business Combination on which the Company completes a liquidation, merger, share exchange or other similar transaction that results in all of the shareholders having the right to exchange their ordinary shares for cash, securities or other property. Notwithstanding the foregoing, if the closing price of the Class A ordinary shares equals or exceeds \$ 12.00 per share (as adjusted for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like) for any 20 trading days within any 30-trading day period commencing at least 120 days after the initial Business Combination, the Founder Shares will be released from the lockup.

Private Placement Warrants

Simultaneously with the closing of the Initial Public Offering, the Company consummated the Private Placement of 3,500,000 Private Placement Warrants, at a price of \$2.00 per Private Placement Warrant with the Sponsor, generating gross proceeds of \$7.0 million.

Simultaneously with the closing of the Over-Allotment on April 1, 2021, the Company consummated the second closing of the Private Placement, resulting in the purchase of an aggregate of an additional 310,345 Private Placement Warrants by the Sponsor, generating gross proceeds to the Company of approximately \$621,000.

Each whole Private Placement Warrant is exercisable for one whole Class A ordinary share at a price of \$11.50 per share. A portion of the proceeds from the Private Placement Warrants was added to the proceeds from the Initial Public Offering held in the Trust Account. If the Company does not complete a Business Combination within the Combination Period, the Private Placement Warrants will expire worthless. The Private Placement Warrants will be non-redeemable and exercisable on a cashless basis so long as they are held by the Sponsor or its permitted transferees.

The Sponsor and the Company's officers and directors agreed, subject to limited exceptions, not to transfer, assign or sell any of their Private Placement Warrants until 30 days after the completion of the initial Business Combination.

Related Party Loans

On December 31, 2020, the Sponsor agreed to loan the Company an aggregate of up to \$300,000 to cover expenses related to the Initial Public Offering pursuant to a promissory note (the "Note"). This Note was non-interest bearing and payable upon the completion of the Initial Public Offering. The Company borrowed \$300,000 under the Note and repaid the Note in full on March 25, 2021.

In addition, in order to fund working capital deficiencies or finance transaction costs in connection with a Business Combination, the Sponsor or an affiliate of the Sponsor, or certain of the Company's officers and directors may, but are not obligated to, loan the Company funds as may be required ("Working Capital Loans"). If the Company completes a Business Combination, the Company will repay the Working Capital Loans out of the proceeds of the Trust Account released to the Company. Otherwise, the Working Capital Loans would be repaid only out of funds held outside the Trust Account. In the event that a Business Combination does not close, the Company may use a portion of the proceeds held outside the Trust Account to repay the Working Capital Loans, but no proceeds held in the Trust Account would be used to repay the Working Capital Loans. The Working Capital Loans would either be repaid upon consummation of a Business Combination, without interest, or, at the lender's discretion, up to \$ 1.5 million of such Working Capital Loans may be convertible into warrants of the post Business Combination entity at a price of \$2.00 per warrant. The warrants would be identical to the Private Placement Warrants. Except for the foregoing, the terms of such Working Capital Loans, if any, have not been determined and no written agreements exist with respect to such loans. As of September 30, 2022 and December 31, 2021, the Company had no borrowings under the Working Capital Loans.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Administrative Services Agreement

In May 2022, the Company entered into an agreement effective on January 1, 2022 through the Company's consummation of a Business Combination or its liquidation, to pay an affiliate of the Sponsor a sum of up to \$7,500 per month, for office space, utilities, employee benefits and secretarial and administrative services. In the three and nine months ended September 30, 2022, the Company recorded and paid approximately \$13,000 and \$49,000 in fees for these services. Fees and services are reflected as general and administrative expenses within the condensed statements of operations.

Note 5 - Commitments and Contingencies

Registration and Shareholder Rights

The holders of Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any Class A ordinary shares issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans) were entitled to registration rights pursuant to a registration and shareholder rights agreement signed upon consummation of the Initial Public Offering. These holders were entitled to certain demand and "piggyback" registration rights. However, the registration and shareholder rights agreement provided that the Company would not permit any registration statement filed under the Securities Act to become effective until the termination of the applicable lock-up period for the securities to be registered. The Company will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The Underwriters were entitled to an underwriting discount of \$0.20 per unit, or \$5.0 million in the aggregate, paid upon the closing of the Initial Public Offering. In addition, \$0.35 per unit, or approximately \$8.8 million in the aggregate will be payable to the Underwriters for deferred underwriting commissions. The deferred fee will become payable to the Underwriters from the amounts held in the Trust Account solely in the event that the Company completes a Business Combination, subject to the terms of the underwriting agreement.

The Underwriters partially exercised the over-allotment option and on April 1, 2021 purchased an additional 3,103,449 Units, generating gross proceeds of approximately \$31.0 million, and incurred additional offering costs of approximately \$1.7 million in offering costs, of which approximately \$1.1 million will be payable to the Underwriters for additional deferred underwriting fees.

Note 6 - Warrants

As of September 30, 2022 and December 31, 2021, the Company had 5,620,690 and 3,810,345 Public Placement Warrants and Private Placement Warrants outstanding.

Public Warrants may only be exercised for a whole number of shares. No fractional Public Warrants will be issued upon separation of the Units and only whole Public Warrants will trade. The Public Warrants will become exercisable 30 days after the completion of a Business Combination or provided in each case that the Company has an effective registration statement under the Securities Act covering the Class A ordinary shares issuable upon exercise of the Public Warrants and a current prospectus relating to them is available (or the Company permits holders to exercise their Public Warrants on a cashless basis and such cashless exercise is exempt from registration under the Securities Act). The Company agreed that as soon as practicable, but in no event later than 15 business days, after the closing of a Business Combination, the Company will use its best efforts to file with the SEC a registration statement for the registration, under the Securities Act, of the Class A ordinary shares issuable upon exercise of the Public Warrants. If the shares issuable upon exercise of the warrants are not registered under the Securities Act, the Company will be required to permit holders to exercise their warrants on a cashless basis. However, no warrant will be exercisable for cash or on a cashless basis, and the Company will not be obligated to issue any shares to holders seeking to exercise their warrants, unless the issuance of the shares upon such exercise is registered or qualified under the securities laws of the state of the exercising holder, or an exemption from registration is available. Notwithstanding the above, if the Company's Class A ordinary shares are at the time of any exercise of a warrant not listed on a national securities

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

exchange such that it satisfies the definition of a “covered security” under Section 18(b)(1) of the Securities Act, the Company may, at its option, require holders of Public Warrants who exercise their warrants to do so on a “cashless basis” in accordance with Section 3(a)(9) of the Securities Act and, in the event the Company elects, the Company will not be required to file or maintain in effect a registration statement, but the Company will use its best efforts to register or qualify the shares under applicable blue sky laws to the extent an exemption is not available.

The warrants have an exercise price of \$11.50 per share, subject to adjustments, and will expire five years after the completion of a Business Combination or earlier upon redemption or liquidation. In addition, if (x) the Company issues additional Class A ordinary shares or equity-linked securities for capital raising purposes in connection with the closing of the initial Business Combination at an issue price or effective issue price of less than \$9.20 per Class A ordinary share (with such issue price or effective issue price to be determined in good faith by the board of directors and, in the case of any such issuance to the initial shareholders or their affiliates, without taking into account any Founder Shares held by the initial shareholders or such affiliates, as applicable, prior to such issuance) (the “Newly Issued Price”), (y) the aggregate gross proceeds from such issuances represent more than 60% of the total equity proceeds, and interest thereon, available for the funding of the initial Business Combination on the date of the consummation of the initial Business Combination (net of redemptions), and (z) the volume weighted average trading price of Class A ordinary shares during the 10 trading day period starting on the trading day prior to the day on which the Company consummates its initial Business Combination (such price, the “Market Value”) is below \$9.20 per share, then the exercise price of the warrants will be adjusted (to the nearest cent) to be equal to 115% of the higher of the Market Value and the Newly Issued Price, and the \$18.00 per share redemption trigger price described under “Redemption of warrants when the price per Class A ordinary share equals or exceeds \$18.00” and “Redemption of warrants when the price per Class A ordinary share equals or exceeds \$10.00” will be adjusted (to the nearest cent) to be equal to 180% of the higher of the Market Value and the Newly Issued Price, and the \$10.00 per share redemption trigger price described under “Redemption of warrants when the price per Class A ordinary share equals or exceeds \$10.00” will be adjusted (to the nearest cent) to be equal to the higher of the Market Value and the Newly Issued Price.

The Private Placement Warrants are identical to the Public Warrants underlying the Units sold in the Initial Public Offering, except that the Private Placement Warrants and the Class A ordinary shares issuable upon exercise of the Private Placement Warrants will not be transferable, assignable or salable until 30 days after the completion of a Business Combination, subject to certain limited exceptions. Additionally, the Private Placement Warrants will be non-redeemable so long as they are held by the initial purchasers or such purchasers’ permitted transferees. If the Private Placement Warrants are held by someone other than the initial shareholders or their permitted transferees, the Private Placement Warrants will be redeemable by the Company and exercisable by such holders on the same basis as the Public Warrants.

Redemption of warrants when the price per Class A ordinary share equals or exceeds \$18.00:

Once the warrants become exercisable, the Company may redeem the outstanding warrants (except as described herein with respect to the Private Placement Warrants):

- in whole and not in part; and
- at a price of \$0.01 per warrant; and
- upon a minimum of 30-days prior written notice of redemption; and
- if, and only if, the last reported sale price (the “closing price”) of Class A ordinary shares equals or exceeds \$8.00 per share (as adjusted) for any 20 trading days within a 30-trading day period ending on the third trading day prior to the date on which the Company sends the notice of redemption to the warrant holders.

The Company will not redeem the warrants as described above unless an effective registration statement under the Securities Act covering the Class A ordinary shares issuable upon exercise of the warrants is effective and a current prospectus relating to those Class A ordinary shares is available throughout the 30-day redemption period. If and when the warrants become redeemable by the Company, it may exercise its redemption right even if the Company is unable to register or qualify the underlying securities for sale under all applicable state securities laws.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Redemption of warrants when the price per Class A ordinary share equals or exceeds \$10.00:

Once the warrants become exercisable, the Company may redeem the outstanding warrants (except as described herein with respect to the Private Placement Warrants):

- in whole and not in part; and
- upon a minimum of 30 days prior written notice of redemption; provided that holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares determined by reference to an agreed table based on the redemption date and the fair market value of Class A ordinary shares; and
- if, and only if, the closing price of Class A ordinary shares equals or exceeds \$10.00 per Public Share (as adjusted) for any 20 trading days within the 30-trading day period ending three trading days before the Company sends the notice of redemption to the warrant holders.

The “fair market value” of Class A ordinary shares for the above purpose shall mean the volume weighted average price of Class A ordinary shares during the 10 trading days immediately following the date on which the notice of redemption is sent to the holders of warrants. In no event will the warrants be exercisable in connection with this redemption feature for more than 0.361 Class A ordinary shares per warrant (subject to adjustment).

In no event will the Company be required to net cash settle any warrant. If the Company is unable to complete a Business Combination within the Combination Period and the Company liquidates the funds held in the Trust Account, holders of warrants will not receive any of such funds with respect to their warrants, nor will they receive any distribution from the Company’s assets held outside of the Trust Account with the respect to such warrants. Accordingly, the warrants may expire worthless.

Note 7 - Class A Ordinary Shares Subject to Possible Redemption

The Company’s Class A ordinary shares feature certain redemption rights that are considered to be outside of the Company’s control and subject to the occurrence of future events. The Company is authorized to issue 500,000,000 shares of Class A ordinary shares with a par value of \$0.0001 per share. Holders of the Company’s Class A ordinary shares are entitled to one vote for each share. As of September 30, 2022 and December 31, 2021, there were 28,103,449 shares of Class A ordinary shares outstanding, which were all subject to possible redemption and are classified outside of permanent equity in the condensed balance sheets.

The Class A ordinary shares subject to possible redemption reflected on the condensed balance sheets is reconciled on the following table:

| | | |
|--|----|--------------------|
| Gross proceeds | \$ | 281,034,490 |
| Less: | | |
| Amount allocated to Public Warrants | | (5,633,100) |
| Class A ordinary shares issuance costs | | (15,730,212) |
| Plus: | | |
| Accretion of carrying value to redemption value | | 21,363,312 |
| Class A ordinary shares subject to possible redemption, December 31, 2021 | | 281,034,490 |
| Plus: | | |
| Remeasurement of redemption value of Class A ordinary shares subject to redemption | | 1,544,641 |
| Class A ordinary shares subject to possible redemption, September 30, 2022 | \$ | <u>282,579,131</u> |

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Note 8 - Shareholders' Deficit

Preference Shares - The Company is authorized to issue 5,000,000 preference shares, with a par value of \$0.0001 per share, with such designations, voting and other rights and preferences as may be determined from time to time by the Company's board of directors. As of September 30, 2022 and December 31, 2021, there were no preference shares issued or outstanding.

Class A Ordinary Shares - The Company is authorized to issue 500,000,000 Class A ordinary shares with a par value of \$0.0001 per share. As of September 30, 2022 and December 31, 2021, there were 28,103,449 and Class A ordinary shares issued and outstanding, all subject to possible redemption and classified as temporary equity (see Note 7).

Class B Ordinary Shares - The Company is authorized to issue 50,000,000 Class B ordinary shares with a par value of \$0.0001 per share. On December 31, 2020, the Company issued 5,750,000 Class B ordinary shares. On January 14, 2021, the Company effected a share dividend of 1,437,500 Class B ordinary shares resulting in an aggregate of 7,187,500 Class B ordinary shares outstanding. Of the 7,187,500 Class B ordinary shares outstanding, up to 937,500 shares were subject to forfeiture to the Company by the initial shareholders on a pro rata basis for no consideration to the extent that the Underwriters' over-allotment option is not exercised in full or in part, so that the initial shareholders will collectively own 20% of the Company's issued and outstanding ordinary shares after the Initial Public Offering. The Underwriters partially exercised their over-allotment option on April 1, 2021, and subsequently on May 9, 2021, the Sponsor forfeited 161,638 Class B ordinary shares. As of September 30, 2022 and December 31, 2021, there were 7,025,862 Class B ordinary shares outstanding, none subject to forfeiture.

Ordinary shareholders of record are entitled to one vote for each share held on all matters to be voted on by shareholders. Holders of the Class A ordinary shares and holders of the Class B ordinary shares will vote together as a single class on all matters submitted to a vote of shareholders, except as required by law.

The Class B ordinary shares will automatically convert into Class A ordinary shares concurrently with or immediately following the consummation of the initial Business Combination on a one-for-one basis, subject to adjustment for share sub-divisions, share capitalizations, reorganizations, recapitalizations and the like, and subject to further adjustment as provided herein. In the case that additional Class A ordinary shares or equity-linked securities are issued or deemed issued in connection with the initial Business Combination, the number of Class A ordinary shares issuable upon conversion of all Class B ordinary shares will equal, in the aggregate, 20% of the total number of Class A ordinary shares outstanding after such conversion (after giving effect to any redemptions of Class A ordinary shares by Public Shareholders), including the total number of Class A ordinary shares issued, or deemed issued or issuable upon conversion or exercise of any equity-linked securities or rights issued or deemed issued, by the Company in connection with or in relation to the consummation of the initial Business Combination, excluding any Class A ordinary shares or equity-linked securities exercisable for or convertible into Class A ordinary shares issued, or to be issued, to any seller in the initial Business Combination and any Private Placement Warrants issued to the Sponsor, officers or directors upon conversion of Working Capital Loans; *provided* that such conversion of Class B ordinary shares will never occur on a less than one-for-one basis.

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

Note 9 - Fair Value Measurements

The following table presents information about the Company's financial assets and liabilities that are measured at fair value on a recurring basis as of September 30, 2022 and December 31, 2021, by level within the fair value hierarchy:

September 30, 2022

| Description | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Other Unobservable Inputs (Level 3) |
|---|---|---|---|
| Assets: | | | |
| Investments held in Trust Account - money market fund | \$ 282,679,131 | \$ - | \$ - |
| Liabilities: | | | |
| Derivative warrant liabilities - Public Warrants | \$ 449,660 | \$ - | \$ - |
| Derivative warrant liabilities - Private Placement Warrants | \$ - | \$ 304,830 | \$ - |

December 31, 2021

| Description | Quoted Prices in Active Markets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Other Unobservable Inputs (Level 3) |
|---|---|---|---|
| Assets: | | | |
| Investments held in Trust Account - money market fund | \$ 281,049,184 | \$ - | \$ - |
| Liabilities: | | | |
| Derivative warrant liabilities - Public Warrants | \$ 5,058,620 | \$ - | \$ - |
| Derivative warrant liabilities - Private Placement Warrants | \$ - | \$ - | \$ 3,429,310 |

Transfers to/from Levels 1, 2, and 3 are recognized at the beginning of the reporting period. The estimated fair value of the Private Placement Warrants were transferred from a Level 3 measurement to a Level 2 fair value measurement as of September 2022. During the nine months ended September 30, 2021 the estimated fair value of the Public Warrants transferred from a Level 3 measurement to a Level 1 fair value measurement, as the Public Warrants were separately listed and traded in May 2021. There were no other transfers to/from Levels 1, 2, and 3 during the nine months ended September 30, 2022 and 2021.

Level 1 assets include investments in money market funds invested in government securities. The Company uses inputs such as actual trade data, benchmark yields, quoted market prices from dealers or brokers, and other similar sources to determine the fair value of its investments.

The fair value of the Public Warrants issued in connection with the Public Offering and Private Placement Warrants were initially measured at fair value using a Monte Carlo simulation model. Subsequent to the separate listing and trading of the Public Warrants the fair value of the Public Warrants has been measured based on the observable listed prices for such warrants and the fair value of the Private Warrants are measured using a Black-Scholes Option Pricing Model through June 30, 2022. Effective for the three months ended September 30, 2022, the Company determined the listed trading price of the Public Warrants approximates the fair value of the Private Warrants, and therefore is using the observable listed trading price of the Public Warrants to measure the fair value of the Private Warrants as of September 30, 2022, a Level 2 measurement.

For the three months ended September 30, 2022 and 2021, the Company recognized a non-cash gain resulting from a decrease in the fair value of the derivative warrant liabilities of approximately \$754,000 and \$1.8 million, respectively, presented as change in fair value of derivative warrant liabilities on the accompanying unaudited condensed statements of operations. For the nine months ended September 30, 2022 and 2021, the Company recognized a non-cash gain

SUPERNOVA PARTNERS ACQUISITION COMPANY III, LTD.
NOTES TO UNAUDITED CONDENSED FINANCIAL STATEMENTS

resulting from a decrease in the fair value of liabilities of approximately \$7.7 million and \$116,000, respectively, presented as change in fair value of derivative warrant liabilities on the accompanying unaudited condensed statements of operations.

The estimated fair value of the Private Placement Warrants was determined using Level 3 inputs as of December 31, 2021. Inherent in the Black-Scholes Option Pricing Model are assumptions related to expected stock-price volatility, expected life, risk-free interest rate and dividend yield. The Company estimated the volatility of its ordinary share warrants based on implied volatility from the Company's traded warrants and from historical volatility of select peer company's ordinary shares that matches the expected remaining life of the warrants. The risk-free interest rate was based on the U.S. Treasury zero-coupon yield curve on the grant date for a maturity similar to the expected remaining life of the warrants. The expected life of the warrants was assumed to be equivalent to their remaining contractual term. The dividend rate is based on the historical rate, which the Company anticipates remaining at zero.

The following table provides quantitative information regarding Level 3 fair value measurement inputs at their measurement dates:

| | As of December 31, 2021 |
|---|--|
| Volatility | 12.79 % |
| Stock price | \$ 9.75 |
| Expected life of the options to convert | 6.16 |
| Risk-free rate | 1.373 % |
| Dividend yield | 0.000 % |

The changes in the fair value of Level 3 derivative warrant liabilities for the three and nine months ended September 30, 2022 and 2021 are summarized as follows:

| | 2022 | 2021 |
|--|--------------|--------------|
| Derivative warrant liabilities at January 1 | \$ 3,429,310 | \$ - |
| Issuance of Public Warrants - Level 3 | - | 5,000,000 |
| Issuance of Private Warrants - Level 3 | - | 3,640,000 |
| Change in fair value of derivative liabilities - Level 3 | (1,676,550) | 205,000 |
| Derivative warrant liabilities at March 31 | \$ 1,752,760 | \$ 8,845,000 |
| Issuance of Public Warrants due to over-allotment - Level 3 | - | 633,100 |
| Issuance of Private Warrants due to over-allotment - Level 3 | - | 332,070 |
| Transfer of Public Warrants to Level 1 measurement | - | (5,733,100) |
| Change in fair value of derivative liabilities - Level 3 | (1,143,100) | 495,340 |
| Derivative warrant liabilities at June 30 | \$ 609,660 | \$ 4,572,410 |
| Transfer of Private Warrants to Level 2 measurement | (609,660) | - |
| Change in fair value of derivative liabilities - Level 3 | - | (647,750) |
| Derivative warrant liabilities at September 30 | \$ - | \$ 3,924,660 |

Note 10 – Subsequent Events

Management has evaluated subsequent events and transactions that occurred after the balance sheet date through the date the unaudited condensed financial statements were issued. Based upon this review, the Company did not identify any subsequent events that would have required adjustment or disclosure in the unaudited condensed financial statements.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

References to the "Company," "Supernova Partners Acquisition Company III, Ltd." "our," "us" or "we" refer to Supernova Partners Acquisition Company III, Ltd. The following discussion and analysis of the Company's financial condition and results of operations should be read in conjunction with the unaudited condensed financial statements and the notes thereto contained elsewhere in this report. Certain information contained in the discussion and analysis set forth below includes forward-looking statements that involve risks and uncertainties.

Cautionary Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. We have based these forward-looking statements on our current expectations and projections about future events. These forward-looking statements are subject to known and unknown risks, uncertainties and assumptions about us that may cause our actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by such forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "may," "should," "could," "would," "expect," "plan," "anticipate," "believe," "estimate," "continue," or the negative of such terms or other similar expressions. Factors that might cause or contribute to such a discrepancy include, but are not limited to, those described in our other SEC filings.

Overview

We are a blank check company incorporated as a Cayman Islands exempted company on December 24, 2020. We were formed for the purpose of effecting a merger, share exchange, asset acquisition, share purchase, reorganization or similar business combination with one or more businesses. We are an early stage and emerging growth company and, as such, we are subject to all of the risks associated with early stage and emerging growth companies.

Our Sponsor is Supernova Partners III LLC, a Cayman Islands exempted company. The registration statement for our Initial Public Offering was declared effective on March 22, 2021. On March 25, 2021, we consummated our Initial Public Offering of 25,000,000 Units, at \$10.00 per Unit, generating gross proceeds of \$250.0 million, and incurring offering costs of approximately \$14.3 million, of which approximately \$8.8 million was for deferred underwriting commissions.

We granted the Underwriters in the Initial Public Offering a 45-day option to purchase up to 3,750,000 additional Units to cover over-allotments, if any. The Underwriters exercised the over-allotment option in part and on April 1, 2021 purchased an additional 3,103,449 Units to cover over-allotments, generating gross proceeds of approximately \$31.0 million, and incurred additional offering costs of approximately \$1.7 million in offering costs, of which approximately \$1.1 million was for deferred underwriting fees.

Simultaneously with the closing of the Initial Public Offering, we consummated the Private Placement of 3,500,000 warrants Private Placement Warrants, at a price of \$2.00 per Private Placement Warrant with the Sponsor, generating gross proceeds of \$7.0 million.

Simultaneously with the closing of the Over-Allotment on April 1, 2021, we consummated the second closing of the Private Placement, resulting in the purchase of an aggregate of an additional 310,345 Private Placement Warrants by the Sponsor, generating gross proceeds to us of approximately \$621,000.

In addition, the Sponsor agreed to forfeit up to 937,500 Founder Shares to the extent that the over-allotment option is not exercised in full by the Underwriters. The Underwriters partially exercised their over-allotment option on April 1, 2021, and subsequently on May 9, 2021, the Sponsor forfeited 161,638 Class B ordinary shares.

Upon the closing of the Initial Public Offering, Over-Allotment, and the Private Placement, approximately \$281.0 million (\$10.00 per Unit) of the net proceeds of the Initial Public Offering and certain of the proceeds of the Private Placement was placed in the Trust Account, located in the United States at J.P. Morgan Chase Bank, N.A., with American Stock Transfer & Trust Company acting as trustee, and invested only in U.S. government securities, within

the meaning set forth in Section 2(a)(16) of the Investment Company Act, with a maturity of 185 days or less or in any open-ended investment company that holds itself out as a money market fund selected by us meeting the conditions of paragraphs (d)(2), (d)(3) and (d)(4) of Rule 2a-7 of the Investment Company Act, as determined by us, until the earlier of: (i) the completion of a Business Combination and (ii) the distribution of the Trust Account as described below.

Our management has broad discretion with respect to the specific application of the net proceeds of the Initial Public Offering and the sale of Private Placement Warrants, although substantially all of the net proceeds are intended to be applied generally toward consummating a Business Combination. There is no assurance that we will be able to complete a Business Combination successfully. We must complete one or more initial Business Combinations having an aggregate fair market value of at least 80% of the assets held in the Trust Account (excluding the amount of any deferred underwriting discount held in trust) at the time of the signing of the agreement to enter into the initial Business Combination. However, we will only complete a Business Combination if the post-transaction company owns or acquires 50% or more of the outstanding voting securities of the target or otherwise acquires a controlling interest in the target sufficient for it not to be required to register as an investment company under the Investment Company Act.

If the Company is unable to complete a Business Combination within the Combination Period, the Company will (i) cease all operations except for the purpose of winding up, (ii) as promptly as reasonably possible but not more than ten business days thereafter, redeem the Public Shares, at a per-share price, payable in cash, equal to the aggregate amount then on deposit in the Trust Account, including interest earned on the funds held in the Trust Account (less taxes payable and up to \$100,000 of interest to pay dissolution expenses), divided by the number of then outstanding public shares, which redemption will completely extinguish Public Shareholders' rights as shareholders (including the right to receive further liquidation distributions, if any) and (iii) as promptly as reasonably possible following such redemption, subject to the approval of the remaining shareholders and the board of directors, liquidate and dissolve, subject, in the case of clauses (ii) and (iii), to the Company's obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law. There will be no redemption rights or liquidating distributions with respect to the warrants, which will expire worthless if the Company fails to complete its initial Business Combination within the Combination Period.

Going Concern

As of September 30, 2022, we had approximately \$129,000 in our operating bank account and a working capital deficit of approximately \$1.0 million.

The Company has incurred and expects to incur significant costs in pursuit of its financing and acquisition plans. In connection with the Company's assessment of going concern considerations, the Company has until March 25, 2023 to consummate a Business Combination. It is uncertain that the Company will be able to consummate a Business Combination by this time. If a Business Combination is not consummated by this date, there will be a mandatory liquidation and subsequent dissolution of the Company. Management has determined that the liquidity condition and the mandatory liquidation, should a Business Combination not occur, and potential subsequent dissolution raises substantial doubt about the Company's ability to continue as a going concern. The unaudited condensed financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Risks and Uncertainties

We continue to evaluate the impact of the COVID-19 pandemic and have concluded that the specific impact is not readily determinable as of the date of the balance sheet. The unaudited condensed financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Results of Operations

Our entire activity since inception up to September 30, 2022 was in preparation for our formation and the Initial Public Offering and identifying a target company for a Business Combination. We will not be generating any operating revenues until the closing and completion of our initial Business Combination.

For the three months ended September 30, 2022, we had a net income of approximately \$1.8 million, which consisted of approximately \$169,000 in general and administrative expenses, offset by a gain of approximately \$754,000 from changes in fair value of derivative warrant liabilities and approximately \$1.2 million of gain on investments held in Trust Account.

For the three months ended September 30, 2021, we had net income of approximately \$1.1 million, which consisted of approximately \$712,000 in general and administrative expenses, offset by a gain of approximately \$1.8 million in from changes in fair value of derivative warrant liabilities and approximately \$4,000 of gain on investments held in the Trust Account.

For the nine months ended September 30, 2022, we had a net income of approximately \$8.7 million, which consisted of approximately \$687,000 in general and administrative expenses, offset by a gain of approximately \$7.7 million from changes in fair value of derivative warrant liabilities and approximately \$1.6 million of gain on investments held in Trust Account.

For the nine months ended September 30, 2021, we had net loss of approximately \$1.9 million, which consisted of approximately \$1.7 million general and administrative expenses and approximately \$322,000 in losses from offering costs associated with derivative warrant liabilities, partially offset by approximately \$116,000 in gains from changes in fair value of derivative warrant liabilities and approximately \$9,000 in income from investments held in the Trust Account.

Liquidity and Capital Resources

For the nine months ended September 30, 2022, we used approximately \$452,000 of cash for operating activities. Our net income included an approximately \$7.7 million non-cash gain from the change in the fair value of derivative warrant liabilities and approximately \$1.6 million of gain on investments held in the Trust Account and was partially offset by changes in operating assets and liabilities of that provided approximately \$235,000 of cash from operating activities. For the nine months ended September 30, 2022 cash used in financing activities was \$85,000 related to remaining offering costs paid.

For the nine months ended September 30, 2021, we used approximately \$816,000 of cash for operating activities. Our net loss was impacted by an approximately \$116,000 non-cash gain from the change in the fair value of derivative warrant liabilities, approximately \$322,000 of financing costs allocated to derivative liabilities, and approximately \$9,000 of gain on investments held in the Trust account and was partially offset by changes in operating assets and liabilities of that provided approximately \$889,000 of cash from operating activities. For the nine months ended September 30, 2021 net cash from financing activities was \$282.6 million including the proceeds from our Initial Public Offering, Over-Allotment, and Private Placements, net of offering costs paid. Following the Initial Public Offering and Over-Allotments, a total of approximately \$281.0 million was placed in the Trust Account, reported as cash used in investing activities for the nine months ended September 30, 2021. We incurred approximately \$16.1 million in transaction costs, including \$9.8 million of deferred underwriting fees.

As of September 30, 2022, we had investments held in the Trust Account of approximately \$282,679,000. We intend to use substantially all of the funds held in the Trust Account, including any amounts representing interest earned on the Trust Account, which interest shall be net of taxes payable and excluding deferred underwriting commissions, to complete our initial Business Combination. We may withdraw interest from the Trust Account to pay taxes, if any. To the extent that our share capital or debt is used, in whole or in part, as consideration to complete a Business Combination, the remaining proceeds held in the Trust Account will be used as working capital to finance the operations of the target business or businesses, make other acquisitions and pursue our growth strategies.

As of September 30, 2022, we had cash of approximately \$129,000 held outside of the Trust Account. We intend to use the funds held outside the Trust Account primarily to identify and evaluate target businesses, perform business due diligence on prospective target businesses, travel to and from the offices, plants or similar locations of prospective target businesses or their representatives or owners, review corporate documents and material agreements of prospective target businesses, structure, negotiate and complete a Business Combination.

Contractual Obligations

We do not have any long-term debt, capital lease obligations, operating lease obligations or long-term liabilities. We do have an Administrative Support Agreement which was effective January 1, 2022 through the Company's consummation of a Business Combination or its liquidation, to pay an affiliate of the Sponsor a sum of up to \$7,500 per month, for office space, utilities, employee benefits and secretarial and administrative services.

Registration Rights

The holders of Founder Shares, Private Placement Warrants and warrants that may be issued upon conversion of Working Capital Loans (and any Class A ordinary shares issuable upon the exercise of the Private Placement Warrants and warrants that may be issued upon conversion of working capital loans) were entitled to registration rights pursuant to a registration rights agreement signed upon consummation of the Initial Public Offering. These holders were entitled to certain demand and "piggyback" registration rights. However, the registration rights agreement provided that we would not permit any registration statement filed under the Securities Act to become effective until the termination of the applicable lock-up period for the securities to be registered. We will bear the expenses incurred in connection with the filing of any such registration statements.

Underwriting Agreement

The Underwriters were entitled to an underwriting discount of \$0.20 per unit, or \$5 million in the aggregate, paid upon the closing of the Initial Public Offering. In addition, \$0.35 per unit, or approximately \$8.8 million in the aggregate, will be payable to the Underwriters for deferred underwriting commissions. The deferred fee will become payable to the Underwriters from the amounts held in the Trust Account solely in the event that we complete a business combination, subject to the terms of the underwriting agreement.

The Underwriters partially exercised the over-allotment option and on April 1, 2021, purchased an additional 3,103,449 Units, generating gross proceeds of approximately \$31 million, and incurred additional offering costs of approximately \$1.7 million in offering costs, of which approximately \$1.1 million was for deferred underwriting fees.

Critical Accounting Policies and Estimates

Derivative Warrant Liabilities

We do not use derivative instruments to hedge exposures to cash flow, market, or foreign currency risks. We evaluate all of our financial instruments, including issued stock purchase warrants, to determine if such instruments are derivatives or contain features that qualify as embedded derivatives, pursuant to ASC 480 and ASC 815. The classification of derivative instruments, including whether such instruments should be recorded as liabilities or as equity, is re-assessed at the end of each reporting period.

The Public Warrants and the Private Placement Warrants are recognized as derivative liabilities in accordance with ASC 815. Accordingly, the Company recognizes the warrant instruments as liabilities at fair value and adjust the instruments to fair value at each reporting period until exercised. The fair value of the Public Warrants issued in connection with the Public Offering and Private Placement Warrants were initially measured at fair value using a Monte Carlo simulation model. Subsequent to the separate listing and trading of the Public Warrants the fair value of the Public Warrants has been measured based on the observable listed prices for such warrants and the fair value of the Private Warrants are measured using a Black-Scholes Option Pricing Model. Derivative warrant liabilities are classified as non-current as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

Class A Ordinary Shares Subject to Possible Redemption

We account for our Class A ordinary shares subject to possible redemption in accordance with the guidance in ASC 480. Class A ordinary shares subject to mandatory redemption (if any) are classified as liability instruments and are measured at fair value. Conditionally redeemable Class A ordinary shares (including Class A ordinary shares that feature redemption rights that are either within the control of the holder or subject to redemption upon the occurrence of uncertain events not solely within our control) are classified as temporary equity. At all other times, Class A ordinary shares are classified as shareholders' equity. Our Class A ordinary shares feature certain redemption rights that are considered to be outside of our control and subject to the occurrence of uncertain future events. Accordingly,

as of September 30, 2022 and December 31, 2021, 28,103,449 Class A ordinary shares subject to possible redemption are presented as temporary equity outside of the shareholders' equity section of our condensed balance sheets.

Under ASC 480-10-S99, the Company has elected to recognize changes in the redemption value immediately as they occur and adjust the carrying value of the security to equal the redemption value at the end of the reporting period.

Effective with the closing of the Initial Public Offering (including exercise of the over-allotment option), we recognized the accretion from initial book value to redemption amount, which resulted in charges against additional paid-in capital (to the extent available) and accumulated deficit. Subsequently, we recognize changes in the redemption value as a remeasurement adjustment, reflected on the unaudited condensed statements of changes in shareholders' deficit.

Net Income (Loss) Per Ordinary Share

We comply with accounting and disclosure requirements of FASB ASC Topic 260, "Earnings Per Share." We have two classes of shares, which are referred to as Class A ordinary shares and Class B ordinary shares. Income and losses are shared pro rata between the two classes of shares. Net income (loss) per ordinary share is calculated by dividing the net income (loss) by the weighted average shares of ordinary shares outstanding for the respective period.

The calculation of diluted net income (loss) per ordinary share does not consider the effect of the warrants issued in connection with the Initial Public Offering (including exercise of the over-allotment option) and the Private Placement to purchase an aggregate of 9,431,035 shares of Class A ordinary shares in the calculation of diluted income (loss) per share, because their exercise is contingent upon future events. Accretion associated with the redeemable Class A ordinary shares is excluded from earnings per share as the redemption value approximates fair value.

Recent Accounting Pronouncements

The Company's management does not believe that any other recently issued, but not yet effective, accounting standards updates, if currently adopted, would have a material effect on the accompanying unaudited condensed financial statements.

Off-Balance Sheet Financing Arrangements

As of September 30, 2022 and December 31, 2021, we did not have any off-balance sheet arrangements as defined in Item 303(a)(4)(ii) of Regulation S-K.

JOBS Act

The JOBS Act contains provisions that, among other things, relax certain reporting requirements for qualifying public companies. We qualify as an "emerging growth company" and under the JOBS Act are allowed to comply with new or revised accounting pronouncements based on the effective date for private (not publicly traded) companies. We are electing to delay the adoption of new or revised accounting standards, and as a result, we may not comply with new or revised accounting standards on the relevant dates on which adoption of such standards is required for non-emerging growth companies. As a result, the unaudited condensed financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

Additionally, we are in the process of evaluating the benefits of relying on the other reduced reporting requirements provided by the JOBS Act. Subject to certain conditions set forth in the JOBS Act, if, as an "emerging growth company," we choose to rely on such exemptions we may not be required to, among other things, (i) provide an auditor's attestation report on our system of internal controls over financial reporting pursuant to Section 404, (ii) provide all of the compensation disclosure that may be required of non-emerging growth public companies under the Dodd-Frank Wall Street Reform and Consumer Protection Act, (iii) comply with any requirement that may be adopted by the PCAOB regarding mandatory audit firm rotation or a supplement to the auditor's report providing additional information about the audit and the unaudited condensed financial statements (auditor discussion and analysis) and (iv) disclose certain executive compensation related items such as the correlation between executive compensation and performance and comparisons of the CEO's compensation to median employee compensation. These exemptions

will apply for a period of five years following the completion of our Initial Public Offering or until we are no longer an “emerging growth company,” whichever is earlier.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are a smaller reporting company as defined by Rule 12b-2 of the Exchange Act and are not required to provide the information otherwise required under this item.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our disclosure controls and procedures as of the end of the fiscal quarter ended September 30, 2022, as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer has concluded that during the period covered by this report, our disclosure controls and procedures were effective as of September 30, 2022.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting that occurred during the fiscal quarter ended September 30, 2022, covered by this Report on Form 10-Q that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

Certain factors may have a material adverse effect on our business, financial condition and results of operation. An investment in our securities involves a high degree of risk. You should consider carefully the risks and uncertainties described below, in addition to the other information contained herein and our other filings with the SEC, including our financial statements and related notes herein and our other filings with the SEC. In addition to the information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the risk factors and other cautionary statements described under the heading "Risk Factors" in our final prospectus filed with the SEC on November 16, 2021, and our quarterly report on Form 10-Q for the quarter ended September 30, 2021 as filed with the SEC on November 16, 2021, which could materially affect our businesses, financial condition, or future results. As of the date of this Quarterly Report on Form 10-Q, there have been no material changes in our risk factors from those described in our final prospectus and our quarterly report on Form 10-Q for the quarter ended September 30, 2021, except for the below risk factors. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

If we are deemed to be an investment company for purposes of the Investment Company Act, we would be required to institute burdensome compliance requirements and our activities would be severely restricted. As a result, in such circumstances, we would expect to abandon our efforts to complete an initial Business Combination and instead to liquidate the Company.

On March 30, 2022, the SEC issued proposed rules (the "SPAC Rule Proposals") relating, among other matters, to the circumstances in which special purpose acquisition companies ("SPACs") such as the Company could potentially be subject to the Investment Company Act and the regulations thereunder. The SPAC Rule Proposals would provide a safe harbor for such companies from the definition of "investment company" under Section 3(a)(1)(A) of the Investment Company Act, provided that a SPAC satisfies certain criteria, including a limited time period to announce and complete a de-SPAC transaction. Specifically, to comply with the safe harbor, the SPAC Proposed Rule would require a company to file a report on Form 8-K announcing that it has entered into an agreement with a target company for a Business Combination no later than 18 months after the effective date of its registration statement for its initial public offering (the "Initial Public Offering Registration Statement"). The company would then be required to complete its initial Business Combination no later than 24 months after the effective date of the Initial Public Offering Registration Statement.

Because the SPAC Rule Proposals have not yet been adopted, there is currently uncertainty concerning the applicability of the Investment Company Act to a SPAC, including a company like ours that does not complete its Business Combination within 24 months after the effective date of the Initial Public Offering Registration Statement

If we are deemed to be an investment company under the Investment Company Act, our activities would be severely restricted, including:

- restrictions on the nature of our investments; and
- restrictions on the issuance of securities.

In addition, we would be subject to burdensome compliance requirements, including:

- registration as an investment company with the SEC;
- adoption of a specific form of corporate structure; and
- reporting, record keeping, voting, proxy and disclosure requirements and other rules and regulations that we are currently not subject to.

We do not believe that our principal activities will subject us to regulation as an investment company under the Investment Company Act. However, if we are deemed to be an investment company and subject to compliance with and regulation under the Investment Company Act, we would be subject to additional regulatory burdens and expenses for which we have not allotted funds. As a result, if we are deemed to be an investment company under the Investment Company Act, we would expect to abandon our efforts to complete an initial business combination and instead to liquidate the Company.

To mitigate the risk that we might be deemed to be an investment company for purposes of the Investment Company Act, we may, at any time, instruct the trustee to liquidate the securities held in the trust account and instead to hold the funds in the trust account in cash until the earlier of the consummation of our initial Business Combination or our liquidation. As a result, following the liquidation of securities in the trust account, we would likely receive minimal interest, if any, on the funds held in the trust account, which would reduce the dollar amount our public stockholders would receive upon any redemption or liquidation of the Company.

The funds in the trust account have, since our initial public offering, been held only in U.S. government treasury obligations with a maturity of 185 days or less or in money market funds investing solely in U.S. government treasury obligations and meeting certain conditions under Rule 2a-7 under the Investment Company Act. However, to mitigate the risk of us being deemed to be an unregistered investment company (including under the subjective test of Section 3(a)(1)(A) of the Investment Company Act) and thus subject to regulation under the Investment Company Act, we may, at any time, and we expect that we will, on or prior to the 24-month anniversary of the effective date of the Registration Statement, instruct American Stock Transfer & Trust Company, the trustee with respect to the trust account, to liquidate the U.S. government treasury obligations or money market funds held in the trust account and thereafter to hold all funds in the trust account in cash until the earlier of consummation of our Business Combination or liquidation of the Company. Following such liquidation, we would likely receive minimal interest, if any, on the funds held in the trust account. However, interest previously earned on the funds held in the trust account still may be released to us to pay our taxes, if any, and certain other expenses as permitted. As a result, any decision to liquidate the securities held in the trust account and thereafter to hold all funds in the trust account in cash would reduce the dollar amount our public stockholders would receive upon any redemption or liquidation of the Company.

In addition, even prior to the 24-month anniversary of the effective date of the Registration Statement, we may be deemed to be an investment company. The longer that the funds in the trust account are held in short-term U.S. government treasury obligations or in money market funds invested exclusively in such securities, even prior to the 24-month anniversary, there is a greater risk that we may be considered an unregistered investment company, in which case we may be required to liquidate the Company. Accordingly, we may determine, in our discretion, to liquidate the securities held in the trust account at any time, even prior to the 24-month anniversary, and instead hold all funds in the trust account in cash, which would further reduce the dollar amount our public stockholders would receive upon any redemption or liquidation of the Company.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

None.

Item 6. Exhibits.

| Exhibit Number | Description |
|-----------------------|---|
| <u>31.1*</u> | <u>Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u> |
| <u>31.2*</u> | <u>Certification of Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u> |
| <u>32.1*</u> | <u>Certification of Chief Executive Officer (Principal Executive Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |
| <u>32.2*</u> | <u>Certification of Chief Financial Officer (Principal Financial and Accounting Officer) Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u> |
| 101.INS | Inline XBRL Instance Document |
| 101.SCH | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

* These certifications are furnished to the SEC pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 and are deemed not filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: November 4, 2022

Supernova Partners Acquisition Company III, Ltd.

By: /s/ Robert Reid

Name: Robert Reid

Title: Chief Executive Officer

By: /s/ Michael Clifton

Name: Michael Clifton

Title: Chief Financial Officer

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Robert Reid, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 of Supernova Partners Acquisition Company III, Ltd.:
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the unaudited condensed financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. [Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313];
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 4, 2022

By: /s/ Robert Reid
Name: Robert Reid
Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO RULES 13a-14(a) AND 15d-14(a)
UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Michael Clifton, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q for the quarter ended September 30, 2022 of Supernova Partners Acquisition Company III, Ltd.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the unaudited condensed financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b. [Paragraph omitted pursuant to SEC Release Nos. 33-8238/34-47986 and 33-8392/34-49313];
 - c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: November 4, 2022

By: /s/ Michael Clifton
Name: Michael Clifton
Title: Chief Financial Officer
(Principal Financial Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Supernova Partners Acquisition Company III, Ltd. (the "Company") on Form 10-Q for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert Reid, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2022

/s/ Robert Reid

Name: Robert Reid
Title: Chief Executive Officer
(Principal Executive Officer)

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Supernova Partners Acquisition Company III, Ltd. (the "Company") on Form 10-Q for the quarter ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Michael Clifton, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

- (1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 4, 2022

/s/ Michael Clifton

Name: Michael Clifton
Title: Chief Financial Officer
(Principal Financial Officer)