

Consolidated Financial Statements and
Report of Independent Certified Public
Accountants

RF Catalytic Capital, Inc.

December 31, 2021 and 2020

Contents

	Page
Report of Independent Certified Public Accountants	3
Consolidated Financial Statements	
Consolidated statements of financial position	5
Consolidated statements of activities	6
Consolidated statements of cash flows	8
Notes to consolidated financial statements	9

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors of
RF Catalytic Capital, Inc.:

Report on the financial statements

Opinion

We have audited the consolidated financial statements of RF Catalytic Capital, Inc. ("RFCC"), which comprise the consolidated statement of financial position as of December 31, 2021, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of RFCC as of December 31, 2021, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audit of the consolidated financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of RFCC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matter

The consolidated financial statements of RF Catalytic Capital, Inc. as of December 31, 2020 and for the period July 10, 2020 to December 31, 2020 were audited by other auditors. Those auditors expressed an unmodified opinion on those financial statements in their report dated June 7, 2021.

Responsibilities of management for the financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about RFCC's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of RFCC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about RFCC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

New York, New York
June 23, 2022

RF Catalytic Capital, Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As of December 31,

	2021	2020
ASSETS		
Cash	\$ 240,329,582	\$ 7,251,286
Contribution receivable	1,250,000	-
Receivable from Affiliate	23,452	-
	\$ 241,603,034	\$ 7,251,286
 LIABILITIES AND NET ASSETS		
Liabilities		
Grants payable	\$ 1,808,707	\$ -
Deferred revenue	250,000	-
Rescinded grants payable	-	500,000
	2,058,707	500,000
 Net assets		
Without donor restrictions	20,504	1,286
With donor restrictions	239,523,823	6,750,000
Total net assets	239,544,327	6,751,286
Total liabilities and net assets	\$ 241,603,034	\$ 7,251,286

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

RF Catalytic Capital, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support			
Contributions of cash and other financial assets	\$ -	\$ 246,254,000	\$ 246,254,000
Contributions of nonfinancial assets	1,657,027	-	1,657,027
Interest income	19,218	-	19,218
Net assets released from donor restrictions	13,480,177	(13,480,177)	-
	15,156,422	232,773,823	247,930,245
Expenses			
Grants expense	12,575,418	-	12,575,418
Program costs	1,175,968	-	1,175,968
Operations and governance	1,385,818	-	1,385,818
Total expenses	15,137,204	-	15,137,204
CHANGE IN NET ASSETS	19,218	232,773,823	232,793,041
Net assets			
Beginning of period	1,286	6,750,000	6,751,286
End of period	\$ 20,504	\$ 239,523,823	\$ 239,544,327

The accompanying notes are an integral part of this consolidated financial statement.

RF Catalytic Capital, Inc.

CONSOLIDATED STATEMENT OF ACTIVITIES

Period from July 10, 2020 to December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue			
Contributions of cash and other financial assets	\$ -	\$ 6,750,000	\$ 6,750,000
Contributions of nonfinancial assets	1,190,272	-	1,190,272
Interest income	1,286	-	1,286
	1,191,558	6,750,000	7,941,558
Expenses			
Program costs	209,881	-	209,881
Operations and governance	980,391	-	980,391
	1,190,272	-	1,190,272
	1,286	6,750,000	6,751,286
CHANGE IN NET ASSETS			
Net assets			
Beginning of period	-	-	-
End of period	\$ 1,286	\$ 6,750,000	\$ 6,751,286

The accompanying notes are an integral part of this consolidated financial statement.

RF Catalytic Capital, Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31, 2021	Period from July 10, 2020 through December 31, 2020
	<u> </u>	<u> </u>
Cash flows from operating activities		
Change in net assets	\$ 232,793,041	\$ 6,751,286
Adjustments to reconcile increase in net assets to net cash		
Changes in operating assets and liabilities:		
Contribution receivable	(1,250,000)	-
Receivable from affiliate	(23,452)	-
Grants payable	1,808,707	-
Deferred revenue	250,000	-
Rescinded grant payable	(500,000)	500,000
	<u> </u>	<u> </u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	233,078,296	7,251,286
Cash		
Cash, beginning of year	<u>7,251,286</u>	<u>-</u>
Cash, end of year	<u><u>\$ 240,329,582</u></u>	<u><u>\$ 7,251,286</u></u>

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

RF Catalytic Capital, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 2021 and 2020

NOTE 1 - ORGANIZATION

RF Catalytic Capital, Inc. ("RFCC") is a public charity incorporated under the laws of the state of Delaware on July 10, 2020. RFCC was created by The Rockefeller Foundation ("RF") and is affiliated with RF through common management. RFCC's central office is located in New York City.

RFCC aims to foster and promote the general wellbeing of humanity throughout the world. Specifically, RFCC will work to develop, support and/or apply innovative solutions to address the world's most intractable social and environmental problems impacting vulnerable people, communities and ecosystems, and aggregate, manage and deploy capital to fund activities consistent with the foregoing and which build on or otherwise strengthen or expand the charitable programs and initiatives of RF and other like-minded institutions, as those may be articulated from time to time, including without limitation in the areas of public health, food sustainability and security, ending energy poverty and promoting renewable clean energy and expanding equity and economic opportunity.

During October 2021, RFCC created The Global Energy Alliance for People and Planet, LLC ("GEAPP"), as a subsidiary of RFCC to deliver transformational programs that will accelerate and scale an equitable energy transition in developing and emerging economies.

Also, during October 2021, RFCC created the Pandemic Prevention Institute, LLC ("PPI"), as a subsidiary of RFCC to build an equitable, representative network of public health data systems that respects sovereignty, upholds the highest ethical standards, and empowers decision-makers to respond efficiently and effectively to pathogen threats.

The accompanying consolidated financial statements include the accounts of RFCC and its subsidiaries, including Global Energy Alliance for People and Planet LLC and Pandemic Prevention Institute LLC, collectively referred to hereinafter as RFCC.

RFCC is a not-for-profit organization exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America, ("US GAAP") which 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 financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Consolidation

The consolidated financial statements include the financial statements of RFCC which includes its subsidiaries, as described in Note 1. All significant intercompany transactions and balances have been eliminated in consolidation.

During 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958) - Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The update provides new guidance on the measurement of contributed nonfinancial assets received by not-for-profits ("NFP") and the amount of those contributed assets used in an NFP's program and other activities resulting in greater transparency of contributed nonfinancial assets. See Note 6 for additional details.

RF Catalytic Capital, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

Net Asset Presentation

RFCC reports information regarding its financial position and activities according to two classes of net assets: without and with donor restrictions.

Without Donor Restrictions - Consist of resources available for the general support of RFCC operations. Net assets without donor restrictions may be used at the discretion of RFCC's management and Board of Directors.

With Donor Restrictions - Consist of resources restricted by donors to be used for specific activities or at some future date, or which require RFCC to maintain in perpetuity, including funds that are subject to restrictions or gift instruments requiring that the principal be invested in perpetuity and the income be used for specific or general purposes. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. As of December 31, 2021 and 2020, RFCC held no net assets that were required to be maintained in perpetuity.

Cash

Cash consists of cash on deposit at a financial institution.

Accounting for Uncertainty in Income Taxes

RFCC recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management has determined that RFCC had no uncertain tax positions that would require financial recognition or disclosure. RFCC is subject to examinations by the applicable taxing jurisdictions for periods since its inception.

Contributions

Contributions are recorded as restricted support if they are received with donor stipulations that limit the use of the contribution or that have time restrictions.

Functional Allocation of Expenses

RFCC allocates expenses on a functional basis among its various program and supporting services. Expenditures that are attributed to a specific program or supporting service are reported accordingly. Therefore, costs are directly assigned and are not allocated across various basis.

Program services consist of RFCC's work in supporting commitments in Power and Climate, Health, Food, Equity and Economic Opportunity, Innovation, Innovative Finance, Communications, Policy and Advocacy and Co-Impact. This includes grants, direct charitable activities and program costs. Supporting services consist of the President's office, Operations and Governance divisions.

Grant Expenses

Committed grant expenditures are considered incurred at the time of approval provided the grant has no specified conditions to be met in a future period. For conditional grants, the grant expenditure and liability are recognized and recorded in the accounting period when RFCC determines that the specified conditions are met.

RF Catalytic Capital, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

NOTE 3 - CONCENTRATION OF CREDIT RISK

RFCC maintains cash at a major financial institution within the United States of America. Generally, deposits are in excess of federally insured limits. Management of RFCC monitors its cash levels. RFCC has not experienced, nor does it anticipate, any losses with respect to its deposits.

NOTE 4 - RELATED ENTITY TRANSACTIONS

RF serves as the sole member of RFCC. During the year ended December 31, 2021 and for the period July 10, 2020 to December 31, 2020, RFCC received contributions of \$140,000,000 and \$1,750,000, respectively, from RF for its programmatic operations. In addition, three employees of RF also serve as officers of RFCC.

NOTE 5 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

Financial assets available for general expenditure that is, without donor restriction or other restrictions, limiting their use, within one year of the consolidated statements of financial position date consist of:

	<u>2021</u>	<u>2020</u>
Financial assets:		
Cash	\$ 240,329,582	\$ 7,251,286
Contribution receivable	1,250,000	-
Receivable from affiliate	23,452	-
	<u>241,603,034</u>	<u>7,251,286</u>
Total financial assets available within one year		
Less:		
Donor restrictions related to time or purpose	(239,523,823)	(6,750,000)
Deferred revenue	(250,000)	-
Rescinded grant funds due to RF	<u>-</u>	<u>(500,000)</u>
Financial assets available to meet general expenditures within twelve months	<u>\$ 1,829,211</u>	<u>\$ 1,286</u>

As part of RFCC's liquidity management strategy, RFCC structures its financial assets to be available as its grants payments and other general liabilities come due.

NOTE 6 - CONTRIBUTED NONFINANCIAL ASSETS

Effective August 31, 2020, RFCC entered into an agreement with RF whereby RF agreed to provide certain services and resources to RFCC. Pursuant to the agreement, RF allocates a portion of its personnel costs of certain employees who provide services to RFCC. RF also provides space and other support services under the agreement.

RF Catalytic Capital, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

RFCC relies on in-kind and other support from RF to manage its operations. During 2021 and 2020, RF contributed in-kind support of approximately \$1,657,000 and \$1,190,000, respectively, to RFCC for its operations. In addition, RF Directors and Officers have made a significant contribution of their time to develop RFCC and its programs. For the year ended December 31, 2021 and for the period July 10, 2020 through December 31, 2020, contributed nonfinancial assets recognized within the accompanying consolidated statements of activities include:

	Year Ended December 31, 2021	Period from July 10, 2020 through December 31, 2020
Services by RF personnel	\$ 1,230,820	\$ 1,082,770
Professional services	409,524	97,948
Software	16,683	9,554
	\$ 1,657,027	\$ 1,190,272

RFCC recognized contributed nonfinancial assets within revenue and support, including services conducted by RF personnel, professional services and software. All assets and services recognized as contributed nonfinancial assets were utilized for programmatic, operations and governance activities. Unless otherwise noted, contributed nonfinancial assets did not have donor-imposed restrictions.

	Revenue Recognized				
	Year Ended December 31, 2021	Period from July 10, 2020 through December 31, 2020	Utilization in Programs/ Activities	Donor Restrictions	Valuation Techniques and Inputs
Services by RF Personnel	\$ 1,230,820	\$ 1,082,770	Programmatic, Operations and Governance	No associated donor restriction	RFCC estimated the fair value on the basis of estimated time spent by RF personnel to conduct RFCC operations.
Professional Services	409,524	97,948	Operations and Governance	No associated donor restriction	Contributed services for professional services conducted are valued at the estimated fair value based on current rates for similar professional services conducted in the United States.
Software	16,683	9,554	Operations and Governance	No associated donor restriction	Contributed services for software are valued at the estimated fair value based on similar software products sold in the United States.
	\$ 1,657,027	\$ 1,190,272			

RF Catalytic Capital, Inc.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

December 31, 2021 and 2020

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

RFCC's net assets with donor restrictions are available for the following purposes and programs as of December 31, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Global Energy Alliance for People and Planet	\$ 199,795,280	\$ -
Pandemic Prevention Institute	35,000,000	-
Food initiative	4,728,191	1,750,000
Health initiative	352	5,000,000
	<u>\$ 239,523,823</u>	<u>\$ 6,750,000</u>

NOTE 8 - FUNCTIONAL ALLOCATION OF EXPENSE

For the year ended December 31, 2021, RFCC incurred expenses consisting of the following below:

	<u>Program Costs</u>	<u>Operations and Governance</u>	<u>Total</u>
Grantmaking	\$ 12,575,418	\$ -	\$ 12,575,418
Personnel	271,209	959,611	1,230,820
Professions fees	904,759	409,524	1,314,283
Other	-	16,683	16,683
	<u>\$ 13,751,386</u>	<u>\$ 1,385,818</u>	<u>\$ 15,137,204</u>

For the period from July 10, 2020 to December 31, 2020, RFCC incurred expenses consisting of the following:

	<u>Program Costs</u>	<u>Operations and Governance</u>	<u>Total</u>
Personnel	\$ 209,881	\$ 872,889	\$ 1,082,770
Professions fees	-	97,948	97,948
Other	-	9,554	9,554
	<u>\$ 209,881</u>	<u>\$ 980,391</u>	<u>\$ 1,190,272</u>

NOTE 9 - SUBSEQUENT EVENTS

Management has evaluated subsequent events for disclosure and/or recognition in the accompanying consolidated financial statements through the date that the financial statements were available to be issued, which date is June 23, 2022. No additional events have occurred that would require recognition or disclosure in the accompanying consolidated financial statements other than what is disclosed in the following paragraph.

Effective, January 1, 2022, RFCC entered into a six-year and nine-month sub-sublease with RF for office space in Washington DC, to be used primarily by the PPI. The sub-sublease term ends on September 29, 2028.