MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) FOR

THE ORANGE COUNTY CENTER FOR INNOVATION & SOCIAL ENTERPRISE SPC (DBA RevHubOC)

Fiscal Year Ending September 30, 2021

This Management Discussion and Analysis (MD&A) provides a comprehensive examination of the financial, operational, and strategic initiatives of The Orange County Center for Innovation & Social Enterprise SPC ("RevHubOC") during the fiscal year ending September 30, 2021.

1. Social Purpose Objective.

The purpose of this social purpose corporation is to engage in any lawful act or activity for which a social purpose corporation may be organized under Division 1.5 of the California Corporations Code, other than the banking business, the trust company business or the practice of a profession permitted to be incorporated by the California Corporations Code, for the benefit of the overall interests of the social purpose corporation and its shareholders and in furtherance of the following enumerated purposes: Foster a social enterprise ecosystem in Orange County, CA in which all actors can thrive. Empower social entrepreneurs and impact investors with the tools and resources they need to collaborate and succeed. Strive to effectively amplify social enterprise locally and globally, by connecting people, knowledge, resources and capital.

A purpose of the social purpose corporation, in addition to the preceding paragraph, is promoting positive effects of, or minimizing adverse effects of, the social purpose corporation's activities upon any of the following: (1) its employees, suppliers, customers, and creditors; (2) the community and society; and (3) the environment.

1. Overview of Social Purpose Objectives

RevHubOC is dedicated to fostering a robust social enterprise ecosystem by supporting entrepreneurs who address pressing social and environmental challenges. Our primary objectives include:

In FY2021, RevHubOC prioritized three principal objectives:

- **Community Building:** Strengthening collaborative networks with academic institutions, nonprofit organizations, and community stakeholders to systematically dismantle barriers to social entrepreneurship. Efforts included hosting summits and

workshops on systemic issues like housing, education, and food systems, and creating advisory groups to inform long-term solutions.

- **Social Venture Incubation:** Successfully launching the inaugural cohort of seven social enterprises in 2020 and expanding support through tailored incubation programs. Entrepreneurs engaged in impact-focused workshops, personalized mentorship, and milestone-driven goal setting, while benefiting from UCI's Wayfinder program.
- **Resource Mobilization:** Expanding philanthropic and mission-aligned fundraising efforts. Significant activities included developing a case for support, generating target lists for foundation outreach, and submitting proposals for educational and incubation program funding to ensure the ecosystem's sustainability.

These objectives built upon the foundation laid in FY2020, emphasizing measurable impact and scalability.

2. Material Actions Taken and Impact Assessment

Executive Leadership and Operational Development

RevHubOC appointed Isabelle Bart as Executive Director to lead programmatic development and strategic planning. Operational advancements included standardizing processes such as participant agreements, venture gating criteria, and venture experience workflows on the Spark XYZ platform.

Social Venture Incubation

RevHubOC supported the first cohort of seven social ventures, focusing on sectors such as housing, education, and food systems. Individualized mentorship, regular goal-setting sessions, and orientation workshops empowered these ventures to achieve measurable milestones.

Strategic Partnerships and Community Engagement

Collaborations with institutions such as the UCI Beall Center for Innovation and Entrepreneurship, the Liveable Cities Lab, and philanthropic organizations enhanced ecosystem inclusivity and capacity. Key achievements included:

- Sponsorship of the New Venture Competition.
- Participation in regional advisory groups and planning the BRIDGES conference with a social enterprise track.
- Initiating policy advocacy efforts for social enterprise-friendly legislation.

3. Future Actions and Intended Impact

Looking ahead, RevHubOC plans to undertake the following actions to further our social purpose objectives:

Expansion of Social Venture Incubation: Building on the success of the initial cohort, RevHubOC plans to launch a second cohort in 2021, with a focus on attracting underrepresented social entrepreneurs through improved diversity and equity outreach.

Scaling Fundraising Efforts: RevHubOC aims to expand funding channels by submitting letters of intent to foundations to support ecosystem programming, including ideation, education, and incubation.

Enhanced Community Outreach: Future initiatives include leading panels and events to promote social entrepreneurship, establishing ongoing advisory groups for critical sectors like housing, education, and food systems, and strengthening public policy advocacy to create a supportive legislative framework for social enterprises.

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4. Performance Evaluation Measures

To evaluate our performance in achieving our social purpose objectives, RevHubOC employs the following measures:

- **Incubation Outcomes:** Measuring milestones achieved by cohort ventures, including the number of successful pilot projects launched, percentage of ventures meeting their initial funding targets, and quantified social or environmental impacts such as reduced waste or increased community engagement.
- **Partnership Effectiveness:** Evaluating the depth and breadth of collaborations, including the number of active partnerships formed, tangible outcomes like co-hosted events, and shared resource utilization to amplify impact.
- **Stakeholder Engagement:** Tracking participation rates in workshops and advisory sessions, gathering feedback from 90% of entrepreneurs involved, and assessing satisfaction levels among community partners to ensure alignment with ecosystem goals.

These measures were selected to provide a comprehensive view of our progress and to identify areas for improvement. No material changes were made to these measures during the fiscal year.

5. Material Expenditures

In furtherance of our social purpose objectives, RevHubOC incurred the following material expenditures during the fiscal year:

- **Human Resources:** Recruiting and supporting leadership and program staff has remained a cornerstone of RevHubOC's strategy, ensuring the organization is led by experienced professionals who drive programmatic innovation and stakeholder engagement. This included the onboarding of diverse team members with expertise in social impact, entrepreneurial incubation, and community development.
- **Programmatic development:** Developing infrastructure for incubation programs included the creation of robust operational frameworks such as participant agreements, venture gating criteria, and the integration of digital tools like the Spark XYZ platform to streamline data collection and enhance venture support.
- **Capital Expenditures:** Hosting ecosystem-building summits and events served as a critical platform for collaboration, bringing together stakeholders from academic institutions, nonprofit organizations, and the private sector to address systemic issues and co-create actionable solutions for the social enterprise ecosystem.

Planned Expenditures for FY2022

- **Scaling Programming**: Growth in new venture cohorts will involve the implementation of enhanced training modules, expanded mentorship networks, and tailored resource allocation to address diverse entrepreneurial needs. This will ensure that each cohort is equipped with tools to achieve scalable impact and measurable outcomes.
- **Enhancing Community Outreach:** Targeted workshops and initiatives focused on engaging underrepresented groups, fostering local partnerships, and creating educational opportunities to address systemic barriers to social entrepreneurship. These activities aim to amplify inclusivity and strengthen community ties.
- **Expanding Partnerships:** Ensure ecosystem sustainability will prioritize collaborations with academic institutions, philanthropic organizations, and industry leaders. These partnerships aim to establish a robust network of stakeholders committed to supporting long-term growth and resilience within the social enterprise ecosystem.

6. Special Purpose Satisfaction

As a California Social Purpose Corporation (SPC), RevHubOC is required to articulate how our activities and accomplishments satisfy our stated social purpose. Per Section 2602 of the California Corporations Code, an SPC must operate to promote its specific

social objectives alongside shareholder interests. This dual mandate ensures that business decisions prioritize both purpose and profit, reflecting a deep commitment to measurable, sustainable impact.

i. Alignment with Stated Social Purpose

From 2020 to 2021, RevHubOC advanced its stated social purpose by:

- Supporting seven (7) social ventures in addressing systemic challenges across critical sectors. These ventures tackled pressing issues such as housing affordability, educational access, and food system sustainability, establishing early milestones for measurable impact.
- Strengthening ecosystem inclusivity through collaborations with academic and philanthropic entities. This included creating pathways for underrepresented entrepreneurs to access mentorship and resources, while fostering a diverse and equitable entrepreneurial landscape.
- Driving sustainability efforts via summits, workshops, and policy initiatives. These activities engaged stakeholders in dialogue to co-create solutions for systemic barriers, setting the stage for actionable policy recommendations and expanded community impact.

ii. Commitment to Transparency and Accountability

To adhere to SPC regulations and fulfill its dual-purpose mandate, RevHubOC maintained robust stakeholder communication and operational accountability. Key actions included:

- **Annual Social Purpose Report:** Comprehensive reporting mechanisms were established to align activities with social impact goals, including the development of detailed impact assessments and quarterly reports. These tools allowed RevHubOC to track progress across ventures and ensure that all initiatives met their stated objectives.
- **Governance Frameworks:** Implemented frameworks to ensure fiscal and programmatic oversight, including the formation of dedicated committees for financial auditing and program evaluation. This resulted in improved transparency and accountability, strengthening stakeholder trust and operational effectiveness.

iii. Legal and Regulatory Compliance

RevHubOC maintains adherence to SPC governance requirements by:

- Documenting how major business decisions align with our social purpose, ensuring accountability to both stakeholders and regulatory bodies.

- Embedding social purpose considerations in board discussions and strategic planning processes.
- Allocating resources specifically to activities that advance societal and environmental well-being, in alignment with our SPC charter.

iv. Material Positive Impacts

SPC regulations require that our activities create material positive impacts on society or the environment. RevHubOC achieved this by:

- Empowered seven early-stage social ventures to deliver measurable results in their respective sectors. These ventures collectively impacted over 5,000 individuals by addressing challenges such as housing affordability, educational gaps, and sustainable food systems.
- Fostered collaboration to address systemic challenges in housing, education, and food systems. This included hosting three targeted summits that convened over 150 stakeholders to identify actionable solutions and form advisory groups for ongoing impact.
- Advanced advocacy frameworks for long-term policy support for social enterprises. These frameworks included initial engagements with policymakers and the development of strategic recommendations aimed at promoting legislative support for inclusive and sustainable economic initiatives.

v. Forward-Looking Compliance

To ensure ongoing alignment with SPC obligations, RevHubOC will:

- Publishing detailed progress assessments to enhance accountability involved creating quarterly reports and annual reviews that documented achievements and challenges. These assessments highlighted key venture milestones and programmatic outcomes to ensure alignment with stated goals.
- Formalizing standardized impact reporting protocols included developing a framework to measure and communicate impact metrics across ventures. This framework ensured consistency and enabled meaningful comparisons to guide decision-making.
- Expanding partnerships ensured equitable and sustainable growth by fostering relationships with academic institutions, philanthropic organizations, and industry leaders, thereby amplifying resources and capacity to address systemic challenges.

Conclusion

RevHubOC's accomplishments during the 2020-2021 fiscal year underscore its role as a driving force for systemic change in the social enterprise ecosystem. By incubating seven social ventures that addressed critical issues such as housing, education, and sustainability, RevHubOC established measurable milestones that have impacted over 5,000 individuals. Strategic partnerships with institutions like UCI Beall Applied

Innovation and the Samueli Foundation enabled the development of robust advisory groups and policy initiatives, amplifying the ecosystem's capacity. Additionally, the organization's commitment to inclusivity facilitated increased participation from underrepresented communities, further embedding equity into the entrepreneurial landscape. RevHubOC remains dedicated to fostering innovation and collaboration to drive transformative impact across Orange County and beyond.