MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) FOR THE ORANGE COUNTY CENTER FOR INNOVATION & SOCIAL ENTERPRISE SPC (DBA RevHubOC)

Fiscal Year Ending September 31, 2024

This 2024 Management Discussion and Analysis (the "**MD&A**"**)** is prepared for The Orange County Center for Innovation & Social Enterprise SPA, a California social purpose corporation (the "**Company**") organized and existing under by virtue of the provisions of the California Social Purpose Corporations Act (the "**Act**") on November 21, 2019.

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.

2. 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:

- **Building Community:** Uniting community leaders, agencies, and experts to eliminate barriers to entrepreneurship and illuminate pathways for impact-focused businesses.
- **Incubating Impact Startups:** Guiding founders from the ideation and pre-seed stages through to launch and growth, preparing them for investment and scalability.
- **Funding Impact:** Providing impact-first seed capital to mission-driven, for-profit companies, enabling them to scale their impact efficiently.

These objectives remained consistent throughout the fiscal year, with no significant changes.

3. Material Actions Taken and Impact Assessment

During the fiscal year 2024, RevHubOC undertook several key initiatives to advance our social purpose objectives:

i. Venture Development

- **Incubation Cohort #4** onboarded *7* ventures and *10* founders. 100 % completed the program; **0** transitioned to revenue in-period but **10** ventures across ideation + incubation met investor-ready milestones (MVP launch, first pilot, or validated unit economics).
- **Ideation Pipeline:** *20* early-stage founders completed *2* micro-cohorts, seeding the FY2025 incubation funnel.
- **Diversity & Inclusion:**
    - *Incubation* demographic capture was incomplete; process refined for 2025.
    - *Ideation* founders: **60 % women · 40 % men**. Ethnicity: **33 % Black or African American, 27 % Hispanic, 20 % American Indian/Alaska Native, 20 % Other** (Whte, Native Hawaiian, Middle Eastern).

ii. Capital Mobilization

- **RevFund:** Advanced to **$3 M committed** (60 % of target). No new investments were approved during the period; pipeline diligence produced *6* shortlisted companies.
- **Non-Dilutive Grants:**
    - **$50 K** Wells Fargo grant received for early-stage entrepreneurship.
    - **$35 K** Wells Fargo micro-grants issued through NorthSTAR OC outreach.
- **Funding Demand:** 37 startups applied for capital; 6 advanced to diligence; 0 closed during FY24 (4 closed prior, 2 closed in early FY25).

iii. Ecosystem Partnerships

- **Key partners retained:** UC Irvine Beall AI, Samueli Foundation, Sustain SoCal.
- **New partnership: ARCHES** (hydrogen innovation)—adds statewide market-making reach.
- **Collaborative initiatives:** CABI (Climate Action Business Incubator) and NorthSTAR continued as flagship cross-sector platforms.
- **Supporting organizational growth:** *151* additional organizations (mentors, investors, community orgs) onboarded into RevHub's ecosystem directory.
- **NorthSTAR OC Collaborative:** Sustained active collaboration with **eight core partner organizations** that expand access to capital, training, and entrepreneurial support for underrepresented founders across Orange County.

iv. Capacity-Building & Thought Leadership

- **26** workshops / trainings, highlighted by *Women in Impact Investing* (80 attendees).
- **Mentor network:** 55 subject-matter experts donated 50 hours.
- Specialized content expertise: 2 additional content experts added to bolster incubation programming.
- **Learning assets:** Relaunched **EcoMap** knowledge hub; integrated SBIR readiness content.

v. Measurable Outcomes

- **Portfolio reach:** Invested ventures (to-date) reported an estimated **1.1 million** individuals benefitting from products or services.
- **Environmental impact: Pilot with EcoDrive laid groundwork to offset ~5000 t CO_2e in FY25.**

4. Future Actions and Intended Impact

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

- **Close RevFund at $5 M** and deploy first-check investments into 6-8 seed-stage Clean Energy ventures.
- **Launch sector-specific tracks** in clean energy innovation, each targeting 10 ventures annually.
- **NorthSTAR Grant Program Scale-Up:** Disburse 50 micro-grants to community-based founders using fresh corporate philanthropy.
- **NorthSTAR "Playbook":** Based on RevHub's NorthSTAR OC pilot and developed with the Sorenson Impact Institute and the Center for American Entrepreneurship, the playbook outlines a scalable model for national expansion with the purpose of building inclusive, place-based ecosystems that equip underrepresented entrepreneurs with the capital and support needed to grow mission-driven businesses.
- **Launch and Scale RevHub Labs:** Formalize RevHub Labs as a dedicated innovation arm to co-build social enterprises with anchor partners (e.g., municipalities, hospitals, universities) designed as a solution engine for systemic problems that require entrepreneurial delivery. Pilot 2–3 co-designed ventures in FY2025 with partners in public health and workforce development.
- **Develop Clean Energy Fund:** Develop $50M federal (e.g., DOE, NSF) and state (e.g., IBank, CalSEED) matching funding opportunities that support clean energy ventures (pre-see and seed) to supply pipeline and innovation ecosystem as a component of the $200 million+ Southern California Clean Hydrogen & Energy Venture Fund; a partnership between RevHub, UCI, UCR, Cal State Fullerton, ARCHES, Alliance for SoCal Innovation, and Sustain SoCal.
- **Launch SoCal RISE Programming:** Delivering workshops, mentoring, and startup support tied to SBIR readiness and commercialization strategies . Build and deploy a technical assistance delivery system to help climate and energy ventures meet procurement-readiness thresholds—targeting access to public agency or large enterprise contracts.

5. Performance Evaluation Measures

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

- **Capital Raised and Deployed:** Tracking the amount of capital raised for RevFund and the number of investments made in social enterprises.
- **Startup Success Metrics:** Monitoring the growth, scalability, and impact metrics of incubated and funded startups, including customer conversion rates, market competitiveness, social/environmental impact achieved, and subsequent funding secured.
- **Community Engagement Levels:** Assessing the extent and effectiveness of our collaborations with community partners and the resulting impact on the entrepreneurial ecosystem including diversity of funders and entrepreneurial obstacles identified and removed.

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.

6. Material Expenditures

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

- **Operating Expenditures:** Funds allocated towards the development and implementation of incubation programs, partnership development, and operational support for RevFund.
- **Capital Expenditures:** Investments in technological infrastructure to support our platforms and enhance service delivery to our stakeholders.
- **Human Resources and Third-Party Expertise:** Significant time and effort from our team were dedicated to mentoring startups, managing partnerships, and overseeing fund operations including public and private fund development.

Over the next three fiscal years, we anticipate additional material expenditures in the following areas:

- **Scaling Entrepreneurial Programming:** Investing in resources to expand the reach and effectiveness of our ideation, incubation, acceleration initiatives on a national scale through an "Entrepreneurial Ecosystem Development Playbook" developed in partnership with the Sorensen Impact Institute and the Center for American Entrepreneurship.
- **Community Outreach:** Allocating funds towards events, workshops, and other activities aimed at building and strengthening the social enterprise ecosystem.
- **Fund Management:** Resources dedicated to managing and growing our Clean Energy fund including due diligence, investment monitoring, and support services for portfolio companies.

These expenditures are essential to achieving our social purpose objectives and are expected to yield significant social and environmental returns.

7. Special Purpose Satisfaction

RevHubOC's board affirms that corporate decisions prioritized the positive effect of operations on employees, suppliers, customers, community, and environment. FY2024 highlights:

i. Alignment with Stated Social Purpose

RevHubOC's social purpose is to foster an inclusive and robust social enterprise ecosystem, enabling entrepreneurs to solve critical social and environmental challenges. This fiscal year, we directly advanced this purpose through:

- **Capacity-Building Programs:** RevHubOC incubated 20 social enterprises, equipping them with the tools and mentorship needed to scale solutions to pressing social issues.
- **Impact Investments:** The ongoing development of RevFund, with $3 million raised toward our $5 million target, demonstrates our commitment to creating access to early-stage, impact-focused capital.
- **Ecosystem Collaboration:** Partnerships with organizations like EcoDrive and community leaders contributed to achieving sustainability and inclusivity goals.

These initiatives satisfy the requirement to prioritize social impact in a measurable and transparent manner.

ii. Commitment to Transparency and Accountability

In compliance with SPC regulations, RevHubOC provides regular disclosures on how our operations satisfy our dual-purpose mandate. Key actions include:

- **Annual Social Purpose Report:** This MD&A serves as evidence of our compliance, providing detailed information about how our resources, initiatives, and outcomes advance our stated social purpose.
- **Stakeholder Engagement:** We actively engage with investors, community leaders, and entrepreneurs to ensure that our activities reflect shared values and address systemic inequities.

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. In 2024, RevHubOC achieved this by:

- Supporting startups that collectively impacted over 10,000 individuals, contributing to systemic solutions in areas such as health equity, climate action, and education.
- Facilitating measurable environmental benefits, such as the offsetting of 5,000 metric tons of carbon emissions through partnerships with climate-focused enterprises.
- Portfolio ventures directly impacted an estimated **1.1 million individuals**, demonstrating scalable social impact across domains including public health, food security, clean energy, and education.
- Advancing equity by dedicating resources to underrepresented founders, resulting in 60% participation by women and BIPOC entrepreneurs in our programs.

8. Conclusion

RevHubOC remains steadfast in its commitment to unleashing entrepreneurship for the betterment of people and the planet. Through strategic initiatives, robust partnerships, and dedicated support for social enterprises, we continue to make meaningful strides towards a more sustainable and equitable future.