MANAGEMENT DISCUSSION AND ANALYSIS (MD&A) FOR

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

Fiscal Year Ending September 31, 2025

This 2025 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.

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:

- **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.

2. Material Actions Taken and Impact Assessment

During the fiscal year 2025, RevHubOC undertook several key initiatives to advance our social purpose objectives:

- **Social Venture Incubation:** In FY2025, RevHubOC incubated 8 ventures across one formal cohort, supporting 9 founders (6 male, 3 female). Two (2) ventures achieved key milestones such as product launches and strategic hires, although none transitioned directly into investment by fiscal year end. These results reflect a longer runway for early-stage ventures in our ecosystem and the complexity of supporting founders from underserved backgrounds.
- **Ideation Programs:** We hosted one ideation cohort with 16 participants (10 female, 6 male). The cohort represented strong demographic diversity: 33% Black or African American, 27% Hispanic, 13% and 20% identifying as other (White, Native Hawaiian, Middle Eastern). Five (5) participants progressed ventures to meaningful milestones, validating the effectiveness of our early-stage pipeline in catalyzing entrepreneurial momentum.
- **Grant + Funding Strategy:** State and federal applications totaled nearly $15 million, with $96,426 awarded during the fiscal year. Additional high-priority proposals remain pending for FY2026, including a federal Community Project Funding Request submitted in partnership with Rep. Lou Correa and Rancho Santiago Community College District.
- **Capital Mobilization:** We raised $460,000 in additional capital via RevHub's Capital Partnership Network II (CPN II) mechanism. These funds will be deployed strategically through RevFund to support high-potential social enterprises entering diligence in the coming year.
- **Investment Pipeline Activity:** Twelve (12) ventures applied for investment consideration. Of these, three (3) advanced to diligence review. No new investments were finalized during the fiscal year, though due diligence and support for select ventures remain ongoing.
- **Partnership Development:** We maintained 25 existing ecosystem partners and onboarded 25 new organizational partners. Key collaborations included Sorenson Impact Institute, CSUF Center for Entrepreneurship, UCI Applied Innovation, Center for American Entrepreneurship, and Alliance for Renewable Clean Hydrogen Energy Systems (ARCHES) hydrogen hub. Ten (10) additional entrepreneurial support organizations were added to strengthen cross-sector impact.
- **Ecosystem Convening and Data Presentation:** RevHubOC hosted a *"Vision to Reality"* event (sponsored by UCI) convening funders, policymakers, institutional partners, and entrepreneurs to celebrate the achievements of the NorthSTAR initiative. The event served as a public accountability mechanism and a strategic platform for advancing inclusive entrepreneurship across Orange County.

- **Inclusive Economic Development Infrastructure: C**ompleted the *"NorthSTAR Playbook"* in partnership with the Sorenson Impact Institute, codifying a replicable, evidence-based framework for inclusive, place-based, entrepreneurial ecosystem building. The playbook offers a model for national-scale economic development strategies.

3. Future Actions and Intended Impact

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

- **Deploy Investment:** Support startups advancing through the investment pipeline, translating pipeline momentum into capital access and enterprise growth. Launch a second pre-seed fund to further capitalize scalable ventures aligned with our impact objectives.
- **Launch Clean Energy + ClimateTech Cohorts:** Initiate new sector-specific incubation tracks aligned with community needs, including a new CABI cohort focused on climate adaptation.
- **Refine Grant Acquisition Strategy:** Strengthen institutional readiness for federal and philanthropic funding, with emphasis on securing the RII Implementation II grant and a FY26 Community Project Funding appropriation in partnership with Rep. Lou Correa and Rancho Santiago Community College District.
- **Advance Inclusive Ecosystem Design:** Deepen partnerships with community-based organizations and regional initiatives. Secure at least two revenue-generating contracts exceeding $100K each and diversify operational funding through $500K CPN II, $1M in CDFP support, and $200–300K in earned revenue and donations.
- **Formalize Organizational Infrastructure:** Complete the operational, and public positioning of RevHub's 501(c)(3) entity to expand nonprofit fundraising and programming capacity.
- **Activate SoCal CTC Projects:** Launch Project II and Project IV under the SoCal Climate Tech Collaborative (CTC) grant awarded through **California Jobs First**, accelerating climate innovation across the region.

4. 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 startups, including customer conversion rates, market competitiveness, 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.

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:

- **Operating Expenditures:** Operating costs were directed toward cohort delivery, ecosystem convenings, founder training, and partner support. A portion of expenses were supported by previously awarded grants, including allocations for NorthSTAR ecosystem building and capacity building. Operating expenses, exclusive of salaries, increased by an estimated 15% year-over-year due to infrastructure development and scaling of program activities.
- **Capital Expenditures:** Invested in upgraded technology infrastructure to support program delivery, venture data tracking, and the management of investment documentation. Additional capital was allocated to onboard a new accounting system and external financial support services to ensure grant compliance, cash flow tracking, and fiscal transparency.
- **Human Capital:** We expanded our internal team, onboarding new full-time staff in roles spanning program coordination, fundraising, and operations. In parallel, investments were made in new HR and payroll systems, including benefits administration platforms, to support this growth. Team capacity was further directed toward strategic development efforts such as grant writing, stakeholder engagement, and investment diligence.

Anticipated expenditures for FY2026 include increased staffing for grant and fund management, new cohort operations, and marketing systems.

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.

1. 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:

- Expanding equitable access to entrepreneurial training and innovation pathways.

- Incubating 8 ventures through a formal cohort.
- Guiding 16 ideation-stage founders through early-stage program support.
- Measurable outcomes, including venture-led sustainability interventions and increased representation among underrepresented entrepreneurs.
- Transform a trust-based ecosystem by coordinating more than 115 support organizations offering tailored pathways across ideation, incubation, capital access, and social capital.
- Codify a replicable model for inclusive ecosystem design (NorthSTAR Playbook), for regional and national adoption.

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

2. 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.

3. 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.

4. Material Positive Impacts

SPC regulations require that our activities create material positive impacts on society or the environment. In 2024, RevHubOC achieved this by:

- Increased diversity in founder demographics, with 59% of ideation participants identifying as women and 73% as people of color.
- Retention of 25 ecosystem partners and addition of 25 new contributors.

- Engagement of 10 new supporting organizations expanding reach into academia, capital, and workforce pipelines.
- Connected over 14,500 individuals (68% women, 65% non-white, 49% from households earning under $59,000) to entrepreneurial support resources.
- 223 new businesses were formed through NorthSTAR-supported programs.
- Outcomes through RevHubOC backed Portfolio Ventures:
    - 3.5 tons of debris removed from SoCal waterways
    - 2.7M trees planted (sequestering over 830,000 metric tons of CO_2 over their lifetime)
    - 138,000 lbs. of plastic removed from oceans
    - 300,000 students gained access to mental health services
    - Approx. 4.5M people positively impacted globally.

5. Forward-Looking Compliance

To ensure ongoing alignment with SPC obligations, RevHubOC will:

- Publish detailed annual impact assessments to track progress against social purpose objectives.
- Develop policies to formalize impact reporting standards and integrate these into quarterly board reviews.
- Expand partnerships with stakeholders who share a commitment to advancing inclusive and sustainable development.

Conclusion

RevHubOC satisfies the regulatory requirements for a California Social Purpose Corporation by embedding its stated purpose into all operations, decisions, and outcomes. Through transparent reporting, measurable impact, and accountability to stakeholders, we continue to demonstrate how a purpose-driven business model can drive systemic change while aligning with corporate governance expectations.

Conclusion 2

RevHubOC's FY2025 achievements illustrate the ongoing maturation of Orange County's inclusive entrepreneurial ecosystem. While investment deployment remains a critical challenge, our pipeline is deepening, partnerships are expanding, and our impact-first approach continues to gain traction. As we look toward FY2026, we remain resolute in our commitment to unlocking opportunity through enterprise, capital, and shared infrastructure.