ANNUAL REPORT 2017

THE OCEAN CLEANUP®

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WELCOME

The 2017 calendar year was exciting and challenging for The Ocean Cleanup as we continued our knowledge build-up, engineering, testing and preparations to deploy the world's first ocean cleanup system. Over the course of this year, we had many accomplishments and learning opportunities as we prepared to achieve our goals.

The most visible achievement and milestone of the year was the transition into the next phase of development. We made significant system design improvements, which indicated that we could commence cleanup two years ahead of schedule while doubling the efficiency of our efforts. Additionally, we deployed our second series of North Sea Prototypes and began procurement for the first cleanup system components.

We also published three independent, peer-reviewed studies in 2017 that were possible because of our many reconnaissance missions and the thorough analyses of our team of scientists and researchers. The research team continued to analyze all the compiled data from these expeditions, that included hand-counting 1.2 million plastic samples, to prepare for the publication of our comprehensive study on the Great Pacific Garbage Patch, published in March 2018.

To meet our many goals for the busy year ahead, we again grew our organization and strengthened its structure and professionalism, while taking care to preserve The Ocean Cleanup's innovative organizational culture.

We continue to rapidly upscale as we move ahead. We made significant progress in 2017, and look forward to the milestones we have set for this year. In 2018, we plan to start our trials in the Pacific, which will help us prepare for our deployment into the Great Pacific Garbage Patch; and then, after learning as much as possible from the trials, we will commence cleanup.

MISSION AND PLANS

The Ocean Cleanup designs and develops advanced technologies to rid the oceans of plastic. Our purpose is to drive the largest ocean cleanup in history by means of a fleet of passive systems. The Ocean Cleanup, a not-for-profit Dutch foundation, fully funded by external, mainly private contributions, aims to initiate cleanup of the Great Pacific Garbage Patch, the plastic accumulation zone in the North Pacific Ocean, in 2018.

Trash accumulates in five ocean garbage patches, the largest one being the Great Pacific Garbage Patch, located midway between Hawaii and California. If left to circulate, the plastic will further accumulate to impact our ecosystems, health and economies. Utilizing natural ocean forces (from wind, waves and currents) which cause a speed difference between the debris and the systems, our cleanup method will concentrate the plastic to such a level that we can periodically extract it and return it to shore for recycling. Computer models indicate that by utilizing these forces in the accumulation zone in the North Pacific, a fleet of approximately sixty, passive cleanup systems can harvest half the Great Pacific Garbage Patch every five years.

Having demonstrated the theoretical feasibility of our first concept in 2014 (Feasibility Study), we began executing a series of scale model tests and prototypes, allowing us

to go through rapid technology iteration cycles along the way. We have learned a lot by challenging our assumptions and putting our ideas to the test, leading to substantial design improvements.

As we announced on May 11, 2017 at The NeXt Phase event, we project to be ready to deploy and operate our first operational system in the Great Pacific Garbage Patch in 2018. The lessons learned from the first deployment will be used to further improve the technology ahead of scaling up to a full fleet of systems, projected to start in 2019.

WHY IS CLEANUP IMPORTANT?

According to current scientific consensus, between 1.5 and 8 million tons of plastic flow into the oceans each year. Much of that washes back on shore, while some sinks to the seabed near the coast. Another relevant portion of it is taken away by a combination of wind and currents to end up in one of five accumulation zones, known as gyres, which are created by vast, circulating currents in the middle of our oceans. Once caught in these accumulation zones, the plastic can no longer escape. It is there to stay, and the problems it causes continue to worsen every day.

One of the biggest, and most visible problems is the threat to the health and safety of marine life who interact with the plastic. Studies have shown that about 700 species have interacted with marine debris, and 92% of these interactions are with plastic. Every piece of plastic can have detrimental effects on these animals. Large pieces of plastic pose entanglement and choking hazards. And when the large debris break down into smaller and smaller pieces, they are often mistaken for food. Ingesting these small plastics can leave the animal feeling satiated

Photo by Francis Pérez

without actual nutrients, thus leading to malnutrition, starvation and then death.

Most of the plastic in the Great Pacific Garbage Patch has also been found to have chemicals that can be transferred to the animal consuming it, only to pass this toxicity up the food chain, and eventually ending up in human diets – sending the toxins from the plastic onto the plates of seafood consumers. The plastic pollution causes financial burdens as well: a study by the UN estimates that ocean plastic causes $13 billion in damage annually to economies worldwide.

There are two ways in which mankind must respond to the exponential growth of plastic accumulation in the oceans. We need to stem the influx of more plastic into ocean waters; but – equally important – to remediate the current negative effects on marine life and subsequently human life, as well as to prevent it from breaking down into smaller pieces over time, we must remove as much plastic as quickly as possible. Fortunately, we see many initiatives (existing and emerging) that are focusing on, for example, beach cleanups, awareness programs and developing alternatives for the use of plastic packaging. All efforts that can help to reduce the amount of plastic that flows into the ocean are necessary and have our warmest support. None of these however will solve the current, persistent problem of plastic pollution in the oceanic accumulation zones.

This is where The Ocean Cleanup wants to help: by developing a passive method to remove the plastic from these zones. After years of extensive research and thousands upon thousands of hours of engineering, design and testing, The Ocean Cleanup is preparing for its proof of concept in the Pacific Ocean by 2018.

UNDERSTANDING THE PROBLEM

To effectively design our cleanup technology it is essential that we understand the problem. In order to develop solid cleanup strategies, efficient collection technology and recycling processes, we must understand the amount, composition and distribution of the plastic in the oceans.

The quest to answer these questions began in August 2015, when The Ocean Cleanup sent a fleet of about 30 vessels to cross the Great Pacific Garbage Patch simultaneously in an operation named the Mega Expedition. During their crossing, a wide range of debris sizes were sampled, producing the first high-resolution map of the patch. By using sampling nets that were 80 times larger than conventional scientific measurement tools, we discovered that the amount of large debris had been vastly underestimated.

The Mega Expedition successfully measured plastic debris up to 0.5m in diameter, but there were signs of a significant mass of plastic even larger than that. This includes ghost nets: discarded fishing nets many meters wide, which are notorious for ensnaring sea life and ship propellers. To accurately quantify these and other types of very large

debris, a much larger area had to be covered, which led to the launch of the Aerial Expedition in September 2016. It covered an expanse more than 100 times larger than the area mapped in the Mega Expedition. This massive increase in survey area enabled the quantification of the largest pieces of trash in the ocean, the last piece of the ocean plastic puzzle.

Using the results from the 2015 Mega Expedition and 2016 Aerial Expedition, The Ocean Cleanup continued to compile its research on the Great Pacific Garbage Patch. After analyzing the data in 2017, the findings were submitted for peer review in *Scientific Reports*, a journal from the Nature Publishing Group, with publication on March 22, 2018.

RESEARCH AND DEVELOPMENT

COMPUTATIONAL MODELING

Several advancements at The Ocean Cleanup were the result of the efforts of our computational modeling team. Their support during the conceptual design phase allowed the engineering team to assess the efficiency and operational practicality of the new system design. With their input, we were able to design an efficient system that is currently being assembled for deployment. Another result from their work was the knowledge gained regarding the interaction of the ocean plastic with the system barriers. Due to this work, we now better understand the way the plastic will accumulate and the capture efficiency of the systems. Additionally, the team built a model to support the operations and forecast the system behavior in the Pacific.

TERMINAL VELOCITY STUDY

One of the many experiments conducted was measuring the rising speed of plastic particles. Increasing our knowledge on the physical properties of ocean plastic results in a more accurate estimate of the total load of plastic in the Great Pacific Garbage Patch and how much of this plastic our barriers will be able to collect.

On our journey to develop an effective and efficient system, we looked to understand the buoyancy differences across all size classes and types of plastic. Buoyancy helps us understand how the plastic is vertically distributed, moves in the ocean and to anticipate its behavior when interacting with our technology. While mapping and quantifying

the amount of plastic in the Great Pacific Garbage Patch, the rising speed helps us correct our measurements by accounting for the vertical mixing the particles encounter in the water. Our engineering team eventually used the rising speed to create computer modeling during the design process, which helped us to determine the optimal length of our barrier's impenetrable screen.

The collected data from this study further helped us to calibrate computer models to map the plastic pollution problem, as well as support our engineering team with insightful information, to further advance our knowledge to continue to test and iteratively design our cleanup system.

RIVER SOURCES

Quantifying plastic pollution, not only in the accumulation zones, but also in the world's oceans requires a greater understanding of its sources. It is commonly accepted that most plastic found in or near the marine environment is coming from land-based sources, and rivers play an important role in transporting this mismanaged plastic waste from land into the ocean.

Our study published in June 2017 in *Nature Communications* suggests that the global riverine system is contributing between 1.15 and 2.41 million metric tons of plastic waste per year into the world's oceans. We found that two thirds of this input were generated by the top 20 most polluting rivers and that these were mostly located on the Asian continent.

OCEAN PLASTIC POLLUTANTS

In December 2017, our research team published an article in the journal *Environmental Science and Technology*, revealing that plastics within the Great Pacific Garbage Patch are loaded with pollutants at levels that may be high enough to harm organisms ingesting them.

This is particularly concerning when considering the high plastic exposure found: the mass of plastics at the surface layer of the patch is around 180 times higher than that of marine life. This indicates that polluted plastics could be a primary food source for organisms feeding within this region.

Concentrations of 59 types of PBTs (Persistent Bio-accumulative Toxins) were reported to be in ocean plastics collected at the center of the Great Pacific Garbage Patch. They also concluded that around 84% of our plastic samples had at least one PBT chemical with concentrations exceeding safe levels. This indicates that oceanic plastic-bound PBTs pose a health risk to organisms ingesting these floating plastics.

Photo by Matthew Chauvin

NORTH SEA PROTOTYPE II

With the application of what we learned from the first prototype and the new system design, the second North Sea Prototype was placed in the water in August 2017. Instead of a 100-meter floater, we instead chose to test two smaller, 12-meter sections of the system.

The main objectives of this prototype were to test fatigue and durability performance of several sub-systems and variations thereof, while really focusing in on the connection between the floater and the screen. Several months into testing the second prototype, we learned that the connection type was successful, but that the screen had suffered damage. Coining this as an “unscheduled learning opportunity” the engineering team quickly went to work to find a solution to the screen material.

After months of hard work and determination, a new material was chosen, consisting of a strong, tightly woven fabric. Since the previous prototype experiences taught us that the screen design is something that is not to be underestimated, three additional tests were commissioned to validate the chosen design – all set to take place in 2018.

In the meantime, the improved design passed rigorous testing, and the full-length screen has been ordered, to be attached to the first cleanup system in time for its launch into the Pacific Ocean.

These tests would not have been possible without the support of our partners, the Dutch Ministry of Infrastructure and Environment (Rijkswaterstaat) and Boskalis.

TECHNICAL PROGRESS

OCEAN PROJECT CONCEPT DEVELOPMENT

During The NeXt Phase event, we unveiled a new system design that the team had been working on for the past year; it was an improvement to the design that should enable us to start extracting plastic from the Great Pacific Garbage Patch by 2018 and increase the efficiency of the system. Estimates indicated the potential to remove half the Great Pacific Garbage Patch every five years.

One considerable aspect of this design change was the move to a fleet of systems, rather than one large, single system – allowing a cost-efficient way for us to continually learn and scale up as we place each new system into the water. The new design also entailed a suspended sea anchor 500-1000 meters below the surface of the water that was intented to slow the systems and, therefore, cause the plastic to move at a faster pace than the barrier and accumulate within the system.

During the design process, we realized that we had underestimated the wave forces on the barrier. It was observed that these forces have a greater effect on the system than on the plastic, causing it to travel faster than the plastic -irrespective of the direction of the current. This speed difference caused the drift anchor system to orient in a direction that prompted the plastic to collect on the convex side of the barrier, rather than the concave side. Meaning, the plastic would not always accumulate within the system, rather on the outside.

This eventually led to our a new design without the use of anchors and to include a U-shaped floating barrier with a suspended, impenetrable screen. The anchor-less design now uses the forces of the wind, waves and currents to position the open side of the system to face the plastic and, essentially, follow the plastic rather than orient in front of

it. Wind and wave forces are responsible for propelling the system at a faster rate than the plastic, allowing the plastic to be captured within the system. The screen's function is to then prevent plastic from flowing underneath the system, while still allowing marine life to safely pass beneath it.

A benefit of moving systems – which are neither moored to a fixed location on the ocean floor, nor fixed in terms of their directional orientation – is that they are exposed to much less of the punishment the ocean throws at them. Any structure with a fixed mooring and orientation needs to absorb all forces of the currents and winds combined. But because the system can freely move and rotate, it will predominantly be in a position that is advantageous for plastic capturing.

This new technology design and the successful funding round from 2016 enabled us to accelerate production, deployment and the extraction of plastic from the ocean. The first components went into production in December 2017 and testing of the system began off the American West Coast in May 2018. With the first deployment into the Great Pacific Garbage Patch by late summer 2018, we aim to bring the first plastic back on shore in 2019 - producing a proof of concept that has been many years in the making.

RECYCLING

The collected ocean plastic will be returned to land for recycling. Once there, the material will be sorted into a range of qualities. Lower-quality plastics will be converted into diesel fuel through pyrolysis, preferably to be used for our service vessels. High-quality plastic will be mechanically recycled to serve as feedstock for new, durable products. Because we have conducted research on the quality of the harvested ocean plastic and believe it to be a viable revenue option, our aim is to sell this recycled plastic to financially support continued operations to include the other gyres.

EXTRACTION

By 2040, we aim to reduce the concentration of plastic in the world's oceans by 90%, relative to 2018 levels. To achieve this incredible goal, not only is cleanup necessary but we must also prevent plastic from entering the oceans. As a result, we are investing substantial resources into R&D for technologies that could help with preventing plastic from getting emitted into the oceans.

MITIGATING RISK

The Ocean Cleanup is trying to achieve something that has never been done before, and it is both logical and unavoidable that such an endeavor carries some risk and challenge. We have extensively considered and identified the many risks we face; and we will continue to do so, as health, safety and the environment are of our utmost concern.

HEALTH AND SAFETY

The Ocean Cleanup follows strict protocol for health and safety precautions. We work with controlled and reviewed procedures and utilize the necessary trainings for specific tasks when required.

Some of the measures in our workflow include: The Health, Safety, Environment and Quality Plan (HSE&Q). The objectives of the HSE&Q Plan are to ensure the correct attention to health and safety is implemented in all activities of The Ocean Cleanup. Towards this goal, the risks involved in the design, assembly, transport, installation and operation need to be identified and managed.

Our Risk Management workflow includes a formal safety assessment with the use of specialized industry software. In addition, Failure Mode and Effects Analyses are conducted to understand the critical components of our system in more detail and to develop areas of improvement during the detailed engineering and fabrication phase. A Hazard Identification Study, also known as HAZID, is conducted to provide the team with valuable insight and mitigation measures related to the use of all our system activities.

Every step of the way, The Ocean Cleanup actively promotes and practices optimal safety standards not only for our team and partners, but also for the environment, as it is at the very core of our work.

ENVIRONMENTAL IMPACT

Protecting the natural environment is indeed at the heart of what we do. It is the driver behind our efforts to remove large amounts of plastic pollution from the world's oceans. At every stage of our work, we actively seek to eliminate or reduce any negative environmental side effects that the cleanup may have.

Our focus on minimizing impact on marine life is a key reason why our design involves a floating barrier with impenetrable screens hanging below the water. We are working diligently to reduce the chances of any negative effects that our activities could have in the interaction with marine life. The impenetrable screens will allow marine organisms and mammals to pass along with the natural flow of the current underneath the barriers.

We have also taken actions to measure and fully understand the environmental implications of our work. These efforts include our collaboration with CE Delft to conduct a life-cycle assessment (LCA) of our project. The purpose of this assessment is to map all the environmental costs 'from cradle to grave'. By conducting this assessment, we can find out which parameters will have the most negative impact and thus make strategic decisions as to how to limit our footprint as much as possible.

In addition to the LCA, we conducted an Environmental Impact Assessment (EIA) together with CSA Ocean Sciences from the United States. The EIA is made based on data from CSA Ocean Sciences, our expeditions and research, as well as data from external experts. Due to the significant design changes of our system in 2017, we chose to update this assessment to reflect the most current iteration of our design. We expect to have a completed EIA by July 2018. In addition, CSA will also produce an Environmental Management Plan (EMP) which will cover all the activity and technology that The Ocean Cleanup will use to monitor and mitigate possible environmental impact.

TECHNOLOGICAL RISK

Our cleanup method requires the deployment of multiple barrier systems in deep ocean waters which are scarcely entered by vessels due to the remoteness and nature of the environment.

Although we see it unlikely that a collision would occur, we have gone to advanced measures to address the risks should this happen. Every barrier will be equipped with lanterns, radar reflectors, navigational signals, GPS and an Automatic Identification System (AIS). The latter will continuously broadcast the location of the systems to passing vessels and the GPS will track the location of our systems should they veer out of the patch. The US Coast Guard will also help to chart the area as a special operations zone and will issue a Notice to Mariners concerning the presence of our systems.

Should one of the systems break down or become dysfunctional, we will be able to detect this from the GPS signals; and the AIS, positioned on each end of the system, will still continue to serve its function. A general alert will also be broadcasted to shipping units in the affected region after we have alerted the International Maritime Organization. We will then assess if a repair will be possible offshore, on location, or if the part must be brought back ashore for repair.

When we consider risks that are beyond the scope of our own expertise, we use external input to challenge our methods and information. For this reason, we have sought and secured support from specialists in a variety of fields, such as offshore engineering and the International Law of the Sea. Where possible we collaborate with academic and independent research institutions like MARIN and Deltares in the Netherlands and universities from all over the world. We will also continuously monitor the first system to understand how the technology behaves in its environment and to understand any other risks that might be faced.

Photo by the Office of the President of the Republic of Finland

PUBLIC AFFAIRS AND STAKEHOLDER MANAGEMENT

The nature of The Ocean Cleanup's operations means that it needs to develop and maintain positive relationships with a wide range of stakeholders, based on a commitment to high ethical and environmental standards at all times.

In conjunction with advanced preparations for deployment of the first cleanup system in the Great Pacific Garbage Patch, 2017 saw an extensive program of public affairs activity focused on key stakeholders in the Netherlands, the US and also with a variety of international organizations.

Most notably, a delegation comprising the requisite expertise visited California and Washington DC in November 2017 to present our plans to government agencies at state and federal levels, and to engage with many non-governmental organizations interested in solutions for ocean plastic. Meetings included the Department of Defense, Environmental Protection Agency, National Oceanic and Atmospheric Administration and the US Coast Guard, as well as the Government of California and interested parties on Capitol Hill. We received constructive feedback and a mutual commitment to remain in close touch as deployment of the first cleanup system nears.

Elsewhere, meetings were held with the main shipping organizations including the Baltic and International Maritime Council and the International Chamber of Shipping, again with encouraging results. The ground was also laid through the Government of the Netherlands for The Ocean Cleanup's plans to be placed on the agenda of the International Maritime Organization's Marine Environment Protection and Maritime Safety Committees with accompanying papers. This formed part of an important wider relationship whereby the government will have oversight of our activities as part of a formal covenant drawn up between the two parties. The official signing of the agreement took place in June 2018. We are very grateful for the forward-thinking approach of the Netherlands' government in crafting this tailor-made agreement with us and are thankful for the support of the Netherlands.

Public affairs activity in 2018 is set to intensify, including more engagement with fishing interests and other states in relative proximity to the Great Pacific Garbage Patch.

ORGANIZATIONAL DEVELOPMENT

In 2017, our organization continued to grow while introducing more structure and professionalism. In doing so, we took care to retain the innovative culture of The Ocean Cleanup. We feel that we can only realize our ambitions in an environment of freedom and responsibility. To safeguard against any type of misconduct or fraud, we do need to maintain a baseline of standard procedures, guidelines and ethics standards.

STRUCTURING

In preparation for the operational activities involved in cleaning up the Great Pacific Garbage Patch, we established The Ocean Cleanup North Pacific Foundation in the United States in January 2017. This foundation was established under the laws of Delaware and we finalized the 501(c)(3) status at the end 2017.

GOVERNANCE AND STAFFING

Our success depends on working with bright minds in professions ranging from engineering to marine biology, from countires all over the world. Over the past year, we expanded our operational team from 50 to 80 staff; these paid employees also worked alongside a team of volunteers. In addition to hiring exceptional people, we continue to work closely with leading offshore engineering companies and research institutes to ensure that we remain open to new ideas and the constructive criticism that we consider vital to our work. By collaborating with these organizations, we gain access to their rare and specialized skills without financially overburdening ourselves long term.

The foundation has an Executive Director (CEO), Boyan Slat, who leads the three person management team (CEO, CFO, COO). In 2017, the management team made organizational progress by procuring highly-qualified, permanent staff for key leadership roles - as evidenced by the new Chief Operations Officer (COO), Lonneke Holierhoek, and Chief Financial Officer (CFO), Jos Huijbregts. Both of whom bring over 20 years' experience in their respective fields.

The Ocean Cleanup actively collaborates with universities worldwide to ensure a high standard of scientific work, some of which include: Delft, Wageningen, Utrecht, Western Australia, Vienna, Aachen, Miami and Caxias do Sul. We also seek independent counsel from our Scientific Advisory Board. Established in 2016, the board is composed of independent external advisors who contribute within their field of expertise to challenge The Ocean Cleanup's designs and strategies.

In line with the usual two-tier system, executive management is separate from the non-executive supervisory role. The Supervisory Board consists of at least three persons. Its members hold management accountable for all major decisions (which can only be implemented with the Supervisory Board's approval). The supervisors also act as a sounding board for the management team.

FINANCIAL PERFORMANCE

Spending on projects increased from 3 million EUR to 6.9 million in 2017, mainly driven by an increased number of resources focused on the design, procurement and construction of testing devices and prototypes; outsourced testing; and The NeXt Phase event announcing the new system design.

Donations reached 5.1 million EUR, with 71% coming from large donors (donations exceeding 100 thousand EUR).

The reported 'result' of the foundation shows that 1.9 million EUR was charged against the Foundation's reserves ('General Reserve' and 'Dedicated Funds') to finance operations. These reserves were (and are) substantial, as we raised most of the funds needed for the 2017 and 2018 costs of design, testing and building of prototypes already in 2016. Reserves remaining at the end of 2017 were 14.7 million EUR.

The cash position of the foundation moved from 16.3 million EUR at the start of 2017 to 13.6 million at year end. Debtors increased by 0.9 million EUR due to donations from US donors that were received in early 2018.

THE PLAN FOR 2018

In 2018, we hope to bring our plans from the ‘feasible’ stage to the level of ‘proven technology’. It will not be without its challenges, but we expect our first system will yield valuable insights and show us the way forward for upscaling our cleanup operation.

To achieve our goals, our engineers are working hard to tackle the biggest remaining technical risks. Aside from overseeing the engineering developments, the management team will focus on attracting the right people for our project to help us achieve our goals.

Meanwhile, our marine plastic lab will publish a study of the Great Pacific Garbage Patch based on its analysis of the samples gathered during the 2015 Mega Expedition and the 2016 Aerial Expedition. Our recycling team will finish its first extensive report on the mechanical recycling of the kinds of ocean plastic found in the Great Pacific Garbage Patch.

We also expect to incur total costs of 18 million EUR in 2018 and we anticipate donations will exceed 5 million, thus ensuring cash availability into 2019. Spending will be mostly on resources for: testing and assembling prototype systems, and for ships and crew to deploy and monitor our first ocean cleanup system into the Great Pacific Garbage Patch. All projects are budgeted in detail before they are given the go-ahead, and all financial commitments are made in light of available funding sources.

A WORD OF THANKS

Everything we have learned and achieved has been made possible by the backing of many thousands of supporters who kickstarted The Ocean Cleanup in 2013 and who continue to support us to this day. We are fortunate to have the additional backing of a handful of global companies and philanthropists who not only provide us with financial firepower, but also with good advice, essential contacts, and even friendship. In the future, The Ocean Cleanup aims to become at least partially self-sustaining, but for now we continue to rely on their support, and yours.

We would like to thank the major donors who have generously provided The Ocean Cleanup with anything we need. Among these are philanthropists such as Marc and Lynne Benioff; charitable organizations like the Adessium Foundation, Ilsababy Foundation and Julius Baer Foundation; corporations including, AkzoNobel, Boskalis, Brabantia, De Brauw Blackstone, Deloitte, Latham & Watkins, SABIC, and the Dutch government. A handful of prominent and highly generous funders wish to remain anonymous. We respect and admire this and would nonetheless like to formally express our appreciation for their support.

The NeXt Phase event was a momentous occasion that was made possible because of the contributions made by the many staff, volunteers and supporters who took part. We would like to especially thank Jurlights, BIND Film, Werkspoorkathedraal, Evite, CFF Communications and Dutch Matters for their contributions that made this event the success that it was.

As we began procurement of our system components in 2017, there are several companies who are helping to make the first ocean cleanup system a physical reality. We give special thanks for the services provided by AGRU and SeaTools.

To the many organizations and companies that support our cause with their services and in-kind donations: we extend to you our gratitude. Much of what we have achieved would not have been possible without you.

A special word of thanks goes out to our critics, whose commentary and ideas we respect and take seriously. In providing feedback you ensure we remain focused and sharp in our thinking, helping us achieve a goal that is important to everyone.

We are also grateful for our many online supporters who spread the word of The Ocean Cleanup by simply liking our pages and sharing our updates.

Finally, and most of all, we would like to thank the many thousands of individuals whose support, financially and otherwise, in creating the conditions that can make our cleanup a success.

REPORT OF THE SUPERVISORY BOARD

The prime point of attention for the Supervisory Board ('SB') in 2017 has been the gradual transition from a research-oriented to an execution-oriented organization. As such, on May 11, 2017 we witnessed the unveiling of the new fleet of floating systems to clean the Great Pacific Garbage Patch ('GPGP'). We foresee that the new approach of multiple floating barriers has a higher chance of succeeding, speeds up the cleanup and simplifies the financing puzzle. The full presentation detailing this design improvement can be found at theoceancleanup.com.

Today, it only seems logical that The Ocean Cleanup will not deploy one moored, 100 kilometer system, yet, it took more than a year of hard work to redevelop the concept; and, due to our iterative design principles, redevelopment continues to be on our work list. Translating the new conceptual design and the outcomes of numerous tests, some of which were carried out at MARIN, into the first floating barrier that will be launched into the GPGP is a major operational challenge.

Arising from the transition of the organization, the SB was actively involved in the search, selection and development of new members of the Management Team ('MT'). We are proud to now have Lonneke Holierhoek (COO) and Jos Huijbregts (CFO) on board since mid-2017. The members of the SB and MT were also very pleased to welcome Feike Sijbesma in November 2017 as special Senior Advisor to the SB.

As the organization is growing and maturing, the SB is gradually shifting the balance from support to supervision. To address any organizational growing pains that may arise, a member of the SB and one full-time employee have taken on the role of 'vertrouwenspersoon' (Confidential Counsellor).

The SB was happy to observe that the MT adapted processes and staff to the fast-growing needs of the foundation. In mid-2017 employees and management reviewed the organization's strategy and cascaded and derived execution plans accordingly per team – yielding clarity in goals and roles.

In preparation to achieve our ambitious goals, we have begun to strategize the use and monetization of the plastic-catch once it is brought back to land. Although the first plastic harvest from the GPGP is expected in late 2018 or early 2019, management and the SB have discussed options regarding the valorization of the plastic-catch. We intend to finance the cleanup as much as possible by upgrading and selling the plastic for new purposes through recycling. This calls for two studies:

1. A technical study into the quality and quantity of the plastic floating in the GPGP; the SB was updated on the results of this study, which began with the Mega Expedition in 2015 when a broad collection of plastic was collected;

2. A commercial study into the optimal way to monetize the catch, which has started in the fourth quarter of 2017.

The initial capital investment of hundreds of millions of euros, however, is expected to be funded by donations and sponsorships. The MT and SB will vigorously work on this in close collaboration once we have a proven plastic-capture model in the GPGP.

Beginning in early 2016, the Adessium Foundation stimulated and enabled The Ocean Cleanup to develop technology to prevent plastic pollution from entering the world's oceans. With support from major donors we have gradually expanded this activity to a prototype test in October/November 2017 in Zuidland (the Netherlands) – which the SB has visited. The SB notes that all research papers and conclusions can be found on theoceancleanup.com, under "Scientific Publications".

The SB interacts with The Ocean Cleanup management and employees on various occasions and in various settings. The direct and individual contacts generally match the members' respective fields of expertise. All board meetings have a dedicated subject, which determines the focus of the meeting. The evening before a formal meeting of the SB with the MT, the SB generally holds an informal board-only meeting to exchange all relevant information (i.e. the board pack, as well as information from individual meetings) and to decide on the topics taking priority for the formal meeting.

In 2017, seven formal meetings of the SB with the MT were held. The most prominent, regularly-occurring agenda item was the "state of the ocean", where the MT updates the SB on all active sub-projects. As in any two-tier board, the SB is regularly updated on financials and approves the Annual Plan. Several senior team leaders presented their area of focus at the SB meetings. We also discussed the setup of a USA-based 'cousin' foundation to enhance our activities in the USA; and one meeting focused entirely on the general strategy to meet our challenging goal.

The MT prepared the management report and the financial statements for 2017 and submitted these to the SB; on 29 June 2018 the SB approved them.

Mazars audited the financial statements and issued an unqualified opinion, as published in this Annual Report.

The Supervisory Board would like to thank all volunteers, employees and management, funders, partners, and general supporters, for their contribution in time, knowledge, network, and/or money, to our mission: to rid the world's oceans of plastic.

The Supervisory Board,

Rutger Arisz (1970 | Organization & Business Development)
Frederik Gerner (1981 | Technology and R&D)
Evert Greup (1956 | Funding and Finance)
Chris van der Vorm (1972 | Communications)

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FINANCIAL STATEMENTS

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2017

Assets						
	Note		2017		2016	
Fixed Assets	5	Tangible Fixed Assets	74		293	
				74		**293**
Short Term Receivables		Receivables from group companies	-		282	
	6	Debtors	931		2	
	7	Other Receivables and Prepayments	565		22	
				1.496		**306**
Cash	8	Cash at banks	13.647		16.293	
				13.647		**16.293**
Total Assets				**15.217**		**16.892**

Liabilities						
	Note		2017		2016	
Reserves	9	General Reserve	14.701		15.884	
				14.701		**15.884**
Funds	10	Dedicated funds	-		708	
				-		**708**
Short Term Liabilities		Payables to group companies	-		33	
		Creditors	310		60	
	11	Tax and Social Security	33		67	
	12	Other Liabilities and Accrued Expenses	173		140	
				516		**300**
Total Liabilities				**15.217**		**16.892**

CONSOLIDATED STATEMENT OF INCOME AND EXPENSES FOR THE PERIOD ENDED 31 DECEMBER 2017

Income				
Eur000's	Note		2017	2016
		Cash donations	4.778	17.863
		Donations in kind	179	702
		Reimbursements	100	120
			5.057	**18.685**

Expenses				
Eur000's	Note		2017	2016
	13	Human Resources	4.100	1.736
	14	Charters of vessels and staff	14	235
	15	Third party research, engineering and testing facility costs	1.296	418
	16	Multimedia communications and public relations	413	152
		Travel and accomodation	127	128
		Transport and storage	60	17
	17	Other project costs	155	460
	18	Non-project costs	418	340
	19	Depreciation	268	191
	20	Financial income and expenses	98	35
			6.949	**3.711**
Result*			**(1.892)**	**14.973**

Appropriation of result*				
Eur000's	Note		2017	2016
		Addition/(Release)		
		General reserve	(1.184)	14.480
		Dedicated funds	(708)	493
Result*			**(1.892)**	**14.973**

* The result shown above is not intended to represent an economic gain or loss, but merely reflects a timing difference between income and spending - as the nature of the foundation requires that over time all income will be spent on developing technology to rid the oceans of plastic pollution.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 DECEMBER 2017

Cash flow from operating activities				
Eur000's	**2017**		**2016**	
Net result	(1.892)		14.973	
Adjustments for:				
Depreciation	267		191	
		(1.625)		**15.164**
Movements in working capital:				
Receivables	(1.191)		211	
Current liabilities	216		173	
		(975)		**(38)**
Net cash generated from operating activitities		**(2.600)**		**15.126**

Cash flow from investment activities				
Eur000's	**2017**		**2016**	
Investments in tangible fixed assets	(46)		(278)	
Net cash generated from investment activities		**(46)**		**(278)**

Cash flow from financing activities				
Eur000's	**2017**		**2016**	
Net cash generated from operating activitities	-		-	
Net cash flows		**(2.646)**		**14.848**

Net cash flows				
Eur000's	**2017**		**2016**	
The movement in cash at banks can be broken down as follows:				
Balance at 1 january	16.293		1.444	
Movements during the financial year	(2.646)		14.848	
Balance as at 31 December		**13.647**		**16.293**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL NOTES

1.1 Activities, registered office, legal form and registration number at the chamber of commerce

Stichting The Ocean Cleanup ('Foundation') was incorporated on February 15, 2013 and has its registered office in Delft. The Foundation is registered at the Chamber of Commerce under the number 57262632. Stichting The Ocean Cleanup is a non-profit organization.

The objects of the Foundation are to:

a. Develop and apply technologies (directly as well as indirectly) to remove plastic pollution from the oceans/ seas on a large scale;
b. Develop and apply technologies (directly as well as indirectly) to remove plastic pollution from waste streams on a smaller scale, to prevent it from reaching the oceans/ seas;
c. Increase social awareness of the pollution of the marine environment by plastic;
d. Incorporate, participate in any way whatsoever, manage and supervise interests in enterprises, businesses, companies and other legal entities, if and insofar as this is necessary to achieve and promote the objective as mentioned under a., b,. and c.,

and other acts and things which in the broadest sense relate or may be conducive to the aforesaid objects.

1.2 Change in accounting policy

1.2.1 General reserves and dedicated funds

The Foundation elected to change the presentation of the donations for general use and dedicated benefit in the balance sheet and statement of income and expenses. The donations for general use and dedicated benefit are now presented in the balance sheet under the general reserves and funds respectively and the addition or release in the reserves of funds are presented in the appropriation of the result in the statement of income and expenses. Prior to this change, both types of donations were presented under the current liabilities and the movements in these liabilities were presented in the income in the statement of income and expenses.

The net impact of this change in the accounting policy is EUR 14.973 thousands on the reserves in the current year and EUR 14.973 thousands on the reserves and net result in the comparative figures.

The donations are expected to cover future costs of the Foundation. A part of the donations may have a dedicated benefit, when they are donated to help realize a certain project. These are recognized and presented as dedicated funds. Other donations are for the realization of the mission of the Foundation, and are therefore for general use. The general reserve is at the free disposal of the Foundation.

1.3 Consolidation

The consolidation includes the financial information of the Foundation, its group companies and other entities in which it exercises control or whose central management it conducts. Group companies are entities in which the Foundation exercises direct or indirect control based on a shareholding of more than one half of the voting rights, or of which it has the authority to govern otherwise their financial and operating policies. Potential voting rights that can be exercised directly from the balance sheet date are also taken into account.

Group companies and other entities in which the Foundation exercises control or whose central management it conducts are consolidated in full. Participating interests in group equity and group result are disclosed separately.

Intercompany transactions, profits and balances among group companies and other consolidated entities are eliminated, unless these results are realised through transactions with third parties. The accounting policies of group companies and other consolidated entities have been changed where necessary, in order to align them to the prevailing group accounting policies.

The consolidated companies are listed below:

- The Ocean Cleanup Technologies B.V., the Netherlands (100%)
- The Ocean Cleanup Projects B.V., the Netherlands (100%)
- The Ocean Cleanup Interceptions B.V., the Netherlands (100%)
- The Ocean Cleanup Operations B.V., the Netherlands (100%)
- The Ocean Cleanup North Pacific Foundation, California USA (100%)

The consolidated companies with the exception of The Ocean Cleanup North Pacific Foundation were incorporated in November 2016, and as a result their current year is an extended book year from 1 November 2016 to 31 December 2017. The financial information of these companies for the extended period ending 31 December 2017 have been included in the consolidation.

The objectives of the consolidated companies are as follows:

- The Ocean Cleanup Technologies B.V. acts as an intermediate holding company in the group and holds the rights to the intellectual property developed for use by the group and IT hardware.
- The Ocean Cleanup Projects B.V. develops and builds the ocean cleaning systems and manages the high sea operations.
- The Ocean Cleanup Interceptions B.V. provides research and development of apparatus capable of physically extracting and buffering plastic debris from various aquatic ecosystems.
- The Ocean Cleanup Operations B.V. provides the workforce to the group where necessary.
- The Ocean Cleanup North Pacific Foundation is based in the United States of America.

It obtains funding from the USA and manages the group's onshore operations in the USA.

1.4 Accounting policies for the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash, are not recognised in the cash flow statement.

2. GENERAL ACCOUNTING POLICIES

2.1 General

The financial statements are drawn up in accordance with Standard 640 'Nonprofit organizations' and reported in thousands.

Assets and liabilities are generally valued at historical cost. If no specific valuation principle has been stated, valuation is at historical cost. In the balance sheet, statement of income and expenses and the cash flow statement, references are made to the notes.

2.2 Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year, with the exception of the changes in accounting policies as set out in the relevant sections.

2.2 Foreign currency

Items included in the financial statements of group companies are measured using the currency of the primary economic environment in which the respective group company operates (the functional currency). The consolidated financial statements are presented in euros, which is the functional and presentation currency of the Foundation. Transactions in foreign currencies are stated in the financial statements at the exchange rate of the functional currency on the transaction date. Monetary assets and liabilities in foreign currencies are converted to the closing rate of the functional currency on the balance sheet date. The translation differences resulting from settlement and conversion are credited or charged to the statement of income and expenses.

Assets, liabilities, income and expenses of consolidated companies with a functional currency different from the presentation currency are translated at the closing rate of exchange prevailing at the balance sheet date. Any resulting exchange differences are taken directly to the legal reserve for translation differences within the reserves.

3. ACCOUNTING POLICIES APPLIED TO THE VALUATION OF ASSETS AND LIABILITIES

3.1 Tangible fixed assets

Tangible fixed assets are valued at historical cost or production cost including directly attributable costs, less straight-line depreciation based on the expected future life and impairments.

3.1 Financial fixed assets

3.1.1 Participations

Participations (associates), over which significant influence can be exercised, are valued according to the net asset value method. In the event that 20% or more of the voting rights can be exercised, it may be assumed that there is significant influence. The net asset value is calculated in accordance with the accounting principles that apply for these financial statements.

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. If and insofar as the Foundation can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is recognised for this. The amount by which the carrying amount of the associate has changed since the previous financial statements as a result of the net result achieved by the associate is recognised in the statement of income and expenses.

3.2 Short term receivables

Accounts receivable are stated at face value less a provision for bad debts, as required.

3.3 General reserves and dedicated funds

The donations received are expected to cover future costs. A part of the donations have a dedicated benefit, when they are donated to help realize a certain project. These are categorized as dedicated funds. Other donations are for the realization of the mission of the Foundation, and are therefore for general use. The general reserve is at the free disposal of the Foundation.

3.4 Short term liabilities

On initial recognition current liabilities are recognised at fair value. After initial recognition current liabilities are recognised at the amortised cost price, being the amount received, taking into account premiums or discounts, less transaction costs. This usually is the nominal value.

4. PRINCIPLES FOR THE DETERMINATION OF THE RESULT

4.1 General

Income and expenses are accounted for on accrual basis. Income is only included when realized on the balance sheet date. Losses originating before the end of the financial year are taken into account if they have become known before preparation of the financial statements.

4.1 Income

The income in the statement of income and expenses are the donations from individuals and organizations. A reserve is recognised at the end of the year for donations which are intended to cover future costs.

4.2 Human resources

The Foundation does not have a pension scheme for its employees. The employees are responsible themselves for taking out a pension scheme.

4.3 Depreciation charge

Depreciation of fixed assets is based on an estimate of their useful life and calculated as a fixed percentage of cost, taking into account any residual value. Depreciation is provided from the date an asset comes into use.

4.4 Financial income and expenses

Interest income and expenses consist of interest received from or paid to third parties. Currency translation differences arising upon the settlement or conversion of monetary items are recognised in the statement of income and expenses in the period that they are realized.

4.5 Other operating expenses

Expenses are take into account under the historical cost convention and allocated to the period concerned.

4.6 Budget

In accordance with RJ 640.204 the Foundation has to publish the budget of the actual year including an explanation of the major differences between budget and actual income and costs. Because the Foundation is a project-driven organization, the key management steering tools are project and overall program budgets, which may move forwards or backward in time, rather than annual organization-wide budgets. These project and program budgets are aligned with available funding and driven by developments in technology, assessments of risk and overall planning. As such, no comparison of actual results for the financial year to budgeted results at an organization level is provided.

NOTES TO THE CONSOLIDATED BALANCE SHEET AND STATEMENT OF INCOME AND EXPENSES

5 - Tangible Fixed Assets

Eur000's		2017		2016	
Opening balance			293		207
Investments in fixed assets during the year	Office and facilities	42		17	
	Ocean project	6		261	
Total investments in fixed assets			48		278
Depreciation charge for the year	Office and facilities	(119)		(67)	
	Ocean project	(147)		(125)	
Total depreciation charge			(267)		(192)
Closing balance			**75**		**293**
Purchase value	Office and facilities	294		252	
	Ocean project equipment	346		340	
Purchase value of tangible fixed assets			640		592
Accumulated depreciation	Office and facilities	(226)		(107)	
	Ocean project	(340)		(193)	
Total accumulated depreciation			(566)		(300)
Closing balance			**74**		**293**

Depreciation percentage 33,33%

6 - Debtors

Eur000's	2017	2016
NAF Foundation	830	-
Rijkswaterstaat	97	-
Other debtors	5	2
	931	2

7 - Other receivable and Prepayments

Eur000's	2017	2016
Value Added Tax	377	-
Prepayments	154	4
Other receivables	34	18
	565	**22**

8 - Cash at bank		
Eur000's	**2017**	**2016**
EUR denominated cash	11.086	16.131
USD denominated cash	2.561	162
	13.647	**16.293**

Cash is at the Foundation's free disposal

9 - General reserve		
Eur000's	**2017**	**2016**
Opening balance	15.884	1.403
Donations received	4.642	16.761
Used for general projects	(5.825)	(2.281)
	14.701	**15.884**

10 - Dedicated Funds		
Eur000's	**2017**	**2016**
Opening balance	708	215
Donations received	415	1.212
Spend on dedicated funds	(1.123)	(719)
Closing balance	**-**	**708**

11 - Tax and Social Security		
Eur000's	**2017**	**2016**
Value added tax	-	5
Payroll tax	33	62
	33	**67**

12 - Other liabilities and accrued expenses		
Eur000's	**2017**	**2016**
Staff holiday allowance	74	(1)
Accrued expenses	3	15
Invoices to be received	107	79
Suspense accounts	(11)	47
	173	**140**

13 - Human Resources		
Eur000's	**2017**	**2016**
Staff costs payroll	2.039	931
Tax and social security payments	58	137
External staff costs	1.802	598
Other HR costs	200	70
	4.100	**1.736**

14 - Charters of vessels and staff		
Eur000's	**2017**	**2016**
Charter of vessels and staff	14	235
	14	**235**

15 - Third party research, engineering and testing facility costs		
Eur000's	**2017**	**2016**
Engineering, research and testing facility costs	290	344
Computational modeling	16	14
Assembling	114	51
Other outsourced work	876	9
	1.296	**418**

16 - Multimedia communications and public relations		
Eur000's	**2017**	**2016**
Other public relations and communication costs	390	122
Printing and graphic design	24	30
	413	**152**

17 - Other Project Costs		
Eur000's	**2017**	**2016**
Research Equipment	12	10
Tools and Machinery	14	1
Rental Equipment	-	410
Other Project Equipment	34	2
Materials, components and other project costs	-	37
Funding expenses TOC North Pacific Foundation	10	-
Location costs, rent and storage	86	-
	155	**460**

18 - Other non-project costs

Eur000's	2017	2016
Housing	77	76
IT	162	154
Insurance, health and safety	60	41
Consultancy fees	127	42
Other general costs	(7)	27
	418	**340**

19 - Depreciation

Eur000's	2017	2016
Office and facilities	119	67
Ocean project	148	124
	267	**191**

20 - Financial income and expenses

Eur000's	2017	2016
Banking charges	41	6
Interest received	(19)	(4)
Foreign exchange differences	76	6
Other financial income	-	27
	98	**35**

COMPANY FINANCIAL STATEMENTS

BALANCE SHEET AS AT 31 DECEMBER 2017

Assets						
	Note		2017		2016	
Fixed Assets		Tangible Fixed Assets	2		49	
	22	Financial Fixed Assets	145		245	
				147		**294**
Short Term Receivables	23	Receivables from group companies	301		280	
		Debtors	931		2	
		Tax and Social Security	35		-	
	24	Other Receivables and Accrued Assets	40		22	
				1.307		**304**
Cash						
	25	Cash at banks	13.202		16.293	
				13.302		**16.293**
Total Assets				**14.756**		**16.890**

Liabilities						
	Note		2017		2016	
Reserves	26	General Reserve	14.711		15.884	
				14.711		**15.884**
Funds	27	Dedicated funds	-		708	
				-		**708**
Short Term Liabilities		Payables to group companies	-		31	
		Creditors	35		60	
	28	Tax and Social Security	10		67	
		Other Liabilities and Accrued Expenses	-		140	
				45		**298**
Total Liabilities				**14.756**		**16.890**

STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2017

Income			
Eur000's	**Note**	**2017**	**2016**
Share of result of participations	29	(5.849)	-
Income from operations		3.968	14.973
Result		**(1.882)**	**14.973**

Appropriation of result		
Eur000's	**2017**	**2015**
Addition/(Release)		
General reserve	(1.173)	14.480
Dedicated funds	(708)	493
Result*	**(1.882)**	**14.973**

* The result shown above is not intended to represent an economic gain or loss, but merely reflects a timing difference between income and spending - as the nature of the foundation requires that over time all income will be spent on developing technology to rid the oceans of plastic pollution.

NOTES TO COMPANY BALANCE SHEET AND STATEMENT OF INCOME AND EXPENSES

21. GENERAL NOTES

21.1 General

The company financial statements have been prepared in accordance with Standard 640 'Nonprofit organizations' and reported in thousands.

The accounting policies for the company financial statements and the consolidated financial statements are the same. Group companies are stated at net asset value in accordance with note 3.1 to the consolidated financial statements. For the accounting policies for the company balance sheet and statement of income and expenses, reference is made to the notes to the consolidated balance sheet and statement of income and expenses.

NOTES TO THE COMPANY BALANCE SHEET AND STATEMENT OF INCOME AND EXPENSES

22 - Financial Fixed Assets

Eur000's	The Ocean Cleanup Technologies B.V. - Stand-alone	The Ocean Cleanup Projects B.V.	The Ocean Cleanup Interceptions B.V.	The Ocean Cleanup Operations B.V.	The Ocean Cleanup Technologies B.V. - Consolidated
Opening balance	97	146	2		245
Additions					
Share premium reserve		3.726	1.918	105	5.749
Result from participations	(13)	(3.870)	(1.911)	(55)	(5.849)
Closing balance	**84**	**2**	**9**	**50**	**145**

The foundation has (in) direct interests in the following participations:

Name, registered office	Share in capital as %
Fully Consolidated	
The Ocean Cleanup Technologies B.V., the Netherlands	100
The Ocean Cleanup Projects B.V., the Netherlands *	100
The Ocean Cleanup Interceptions B.V., the Netherlands *	100
The Ocean Cleanup Operations B.V., the Netherlands *	100

*** Shares are directly hold by The Ocean Cleanup Technologies B.V.**

23 - Current Account Group Companies

Eur000's	2017	2016
The ocean Cleanup Technologies B.V.	301	280
	301	**280**

24 - Other Receivables and Accrued Assets

Eur000's	2017	2016
Prepayments	-	4
Other receivables	40	18
	40	**22**

25 - Cash at bank

Eur000's	2017	2016
EUR denominated cash	10.748	16.131
USD denominated cash	2.554	162
	13.302	**16.293**

Cash is at the Foundation's free disposal

26 - General Reserve

Eur000's	2017	2016
Opening balance	15.884	1.403
Donations received	4.642	16.761
Used for general projects	(5.815)	(2281)
	14.711	**15.884**

Reconciliation of the general reserve and result in the consolidated and company financial statements.

The general reserve and result in the consolidated and company financial statements can be reconciled as follows:

	General reserve	Result
Company financial statements	14.711	(1.882)
The Ocean Cleanup North Pacific Foundation	(10)	(10)
Consolidated financial statements	14.701	(1.892)

27 - Dedicated funds

Eur000's	2017	2016
Opening balance	708	215
Donations received	415	1.212
Spend on dedicated funds	(1.123)	(719)
	-	**708**

28 - Tax and Social Security

Eur000's	2017	2016
Value added tax	-	5
Payroll tax	10	62
	10	**67**

29 - Share of result and participations

Eur000's	2017	2016
The Ocean Cleanup Technologies B.V. - Stand-alone	13	-
The Ocean Cleanup Projects B.V.	3.870	-
The Ocean Cleanup Interceptions B.V.	1.911	-
The Ocean Cleanup Operations B.V.	55	-
The Ocean Cleanup Technologies B.V. - Consolidated net loss	**5.849**	**-**

MAZARS

INDEPENDENT AUDITOR'S REPORT

To the management board and supervisory board of
Stichting The Ocean Cleanup

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS 2017 INCLUDED IN THE ANNUAL REPORT

OUR OPINION

We have audited the financial statements 2017 of Stichting The Ocean Cleanup, based in Delft.

In our opinion the accompanying financial statements, included on page 27 - 43 in the annual report, give a true and fair view of the financial position of Stichting The Ocean Cleanup as at 31 December 2017, and of its result for 2017 in accordance with the Dutch Standard 640.

The financial statements comprise:
1. the consolidated and company balance sheet as at 31 December 2017;
2. the consolidated and company statement of income and expenses for 2017;
3. The consolidated cash-flow statement as at 31 December 2017; and
4. the notes comprising a summary of the accounting policies and other explanatory information.

BASIS FOR OUR OPINION

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the 'Our responsibilities for the audit of the financial statements' section of our report.

We are independent of Stichting The Ocean Cleanup in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

MAZARS

REPORT ON THE OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- the management board report;
- the report of the supervisory board.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information as required by Dutch Standard 640.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the management board report and the supervisory board is responsible for the preparation of the report of the supervisory board.

DESCRIPTION OF RESPONSIBILITIES REGARDING THE FINANCIAL STATEMENTS

RESPONSIBILITIES OF MANAGEMENT FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Dutch Standard 640. Furthermore, management is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, management is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, management should prepare the financial statements using the going concern basis of accounting unless management either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so.

Management should disclose events and circumstances that may cast significant doubt on the foundation's ability to continue as a going concern in the financial statements.

MAZARS

OUR RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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;
- obtaining 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 the foundation's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a foundation to cease to continue as a going concern;
- evaluating the overall presentation, structure and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

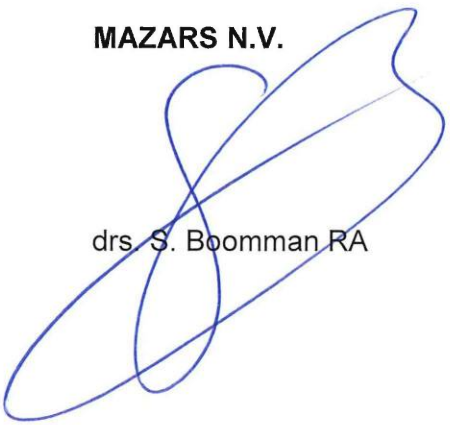
Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

MAZARS

We communicate with the supervisory board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit.

Rotterdam, 29 June 2018

MAZARS N.V.



drs. S. Boomman RA

THE OCEAN CLEANUP