ANNUAL REPORT 2020

THE OCEAN CLEANUP™

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Report of the Management Team
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- Stakeholder Management
- The Organization
- Financial Performance and Budget
- The Plan for 2021

2020 HIGHLIGHTS

TURNED TRASH INTO TREASURE

WITH THE OCEAN CLEANUP SUNGLASSES

- **LAUNCHED** OCTOBER 24
- **42%** **CLAIMED** BY SUPPORTERS AS OF DECEMBER 31

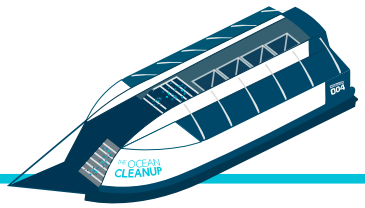
INTRODUCED **ORGANIZATIONAL DEVELOPMENT PHASES**

- FEASIBILITY
- DEVELOPMENT
- VALIDATION
- SCALE-UP
- STABILITY

CURRENT STATUS
RIVERS VALIDATION PHASE
OCEANS DEVELOPMENT PHASE

LAUNCHED THE RIVER PLASTIC **SURVEY APP**

TO TRACK RIVER PLASTIC ALL OVER THE WORLD



INTERCEPTOR 004 IS OPERATIONAL IN THE DOMINICAN REPUBLIC

INTERCEPTORS 001 + 002 + 004 COLLECTED **235.505** KG (JUST OVER 500.000 LBS)

8X **THE OCEAN CLEANUP RESEARCHERS** TOOK PART IN 8 PEER-REVIEWED SCIENTIFIC PUBLICATIONS

CONDUCTED NORTH SEA TESTS FOR OCEAN SYSTEM 002

ANNOUNCED MANUFACTURING PARTNERSHIP WITH KONECRANES TO SERIES PRODUCE INTERCEPTORS

107 **CREWMEMBERS**
42% FEMALE | **58%** MALE
REPRESENTING
21 DIFFERENT NATIONS.

STRENGTHENED AND EXTENDED PARTNERSHIP WITH MAERSK

GEN 3 INTERCEPTOR DESIGN RELEASED

1M.

RECEIVED A 1M USD GRANT FROM THE BENIOFF OCEAN INITIATIVE FOR INTERCEPTOR PROJECT IN JAMAICA

WELCOME

2020 was the year the world stood still as the effects of COVID-19 wreaked havoc across the globe. As the pandemic permeated the lives and livelihoods of people around the world we shifted our attention, finding ways to curb its detriments. Even faced with these conditions, the mission of The Ocean Cleanup remained as valid as ever, if not more. Single-use plastics, such as masks and medical materials, proliferated. Our cleanup and recycling efforts slowed down, some coming to a complete halt. Despite the challenges, The Ocean Cleanup team persevered and continued working towards our mission. In 2020, we sought to bridge the gap between vision and delivery, learning that sometimes progress can only result when faced with taking a few steps back, before taking a few steps forward.

At the start of the year, the Ocean team was underway with the System 002 project, incorporating the findings from the System 001/B campaign and preparing for the design phase of this next iteration of our ocean cleanup technology. Although System 001/B did return a first haul of plastic, upon further testing, we learned that this iteration would not permit us to effectively scale up. This understanding led the team to continue adjusting the design.

Meanwhile, the Rivers project was forced to slow its momentum substantially due to COVID-19. The Business Development team was severely impacted due to government and local agencies turning their attention to the pandemic. As Interceptor 004 was prepared for installation

in March in the Dominican Republic, a lockdown forced efforts to come to a standstill. By August, local partners were able to complete the installation, making 004 operational. Interceptor 001 in Indonesia and 002 in Malaysia remained in operation intermittently, but when engineering support was required, repairs and supplies were often delayed due to global travel restrictions and closed production houses. Despite the conditions, the teams moved forward, making significant strides – including freezing the design of the Generation 3.0 Interceptor, and confirming global manufacturing partner, Konecranes, to help streamline and industrialize Interceptor production, installation, and maintenance. With this new manufacturing partner, in Q4, the build commenced on the next two Interceptors.

During 2020, the Valorization team made significant progress recycling and repurposing our ocean plastic catch. Using the plastic brought to shore from the System 001/B campaign in the Great Pacific Ocean at the close of 2019, the team started the process of going full circle in our mission: recycling the plastic catch and turning it into a product whose proceeds could help fund continued cleanup. We succeeded in recycling the plastic and turning it into component material used to create our first product made of certified plastic from the Great Pacific Garbage Patch – The Ocean Cleanup sunglasses. On October 24, in a socially distanced and entirely digital presentation, Boyan Slat presented the vision behind the product and debuted the sunglasses.

In addition to members of our Ocean, Rivers, and Valorization (recycling) teams, researchers at The Ocean Cleanup adjusted to the work from home routine as well. Strides were made publishing manuscripts and collaborating with scientists and citizen scientists around the world. In May, the study “First evidence of plastic fallout from the North Pacific Garbage Patch” was published in Scientific Reports. In other ongoing work, we continued to gather and analyze data from citizen science campaigns focused on mapping the global inputs of ocean waste from fisheries. To round things out, we closed the year with the launch of the River Plastic Survey app which will help us gather additional data points on the waste within our world’s rivers.

MISSION AND PLANS

The Ocean Cleanup develops advanced technologies to rid the oceans of plastic. Our purpose is to drive the largest ocean cleanup in history by stemming the inflow of floating plastics via rivers, and cleaning up what has already accumulated in the ocean gyres. As a non-profit foundation (stichting in the Netherlands and 501(c)(3) in the US) we are fully funded by external, mainly private, contributions.

IMPORTANCE OF CLEANUP

Our research shows that 1,000 rivers account for nearly 80% of riverine plastic pollution flowing into the world's oceans – this is a total between 0.8 million and 2.7 million metric tonnes per year. Most of the pollution washes back on shore, while some sinks to the seabed near the coast. The buoyant plastics and debris that remain in the ocean are carried by a combination of wind and currents and often end up in one of five accumulation zones. These accumulation zones are formed by ocean gyres: vast, circulating currents in the subtropical zones of our oceans which trap debris in their vortexes. The largest gyre forms the Great Pacific Garbage Patch, located midway between Hawaii and California. Once caught in these accumulation zones, plastic can no longer escape; it is there to stay. Every single piece of plastic that persists is dangerous – the longer it remains, the more hazardous it becomes. As a patch accumulates and increases in volume, it can cause entanglement and/or choking risks to marine life. Also, when plastic fragments into smaller (micro)plastics, it further impacts the safety of marine life and the food chain – including our own.

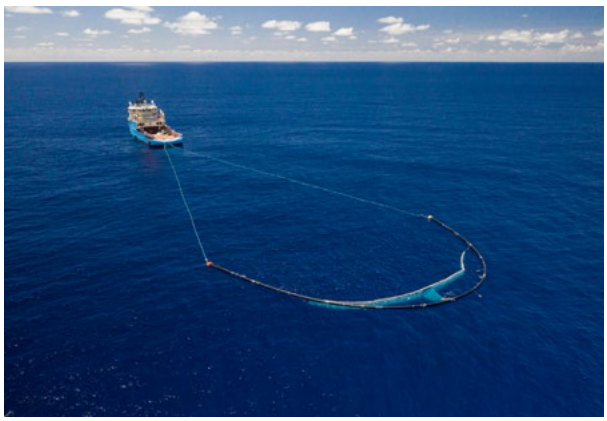
Plastic in these patches is widely dispersed, so our solution will follow a cleanup method that first concentrates the plastic to such a level that it can be periodically extracted and returned to shore for recycling. Concentration takes place in a way that mimics how plastic washes ashore in, for example, the Hawaiian archipelago – by creating artificial coastlines that corral the plastic transported through the currents of the North Pacific gyre. With a fleet of cleanup systems deployed to all five ocean gyres, and by intercepting waste in rivers before it reaches the ocean, we aim to remove 90% of all floating ocean plastic by 2040.

Studies have shown that about 700 species (117 of which are considered endangered) have interacted with marine debris during their lifetime; 92% of these interactions are made with plastic. Every plastic piece can have detrimental effects on species, whether large or smaller microplastic. Right now, 92% of floating plastic mass in the Great Pacific Garbage Patch consists of larger objects (>5 mm), yet microplastic (diameter <5 mm) makes up 94% of the total by count. The volume of these microplastics will increase more than tenfold if the larger parts are left to degrade in our oceans. Once within a waterway, floating plastic debris can splinter, yielding break-off fragments that often pose a danger to marine life. Animals may mistake these small plastic pieces for food and, if consumed, will leave the creature feeling satiated without having acquired any actual nutrients. This can then lead to malnutrition, starvation, and ultimately death. On top of this, plastic in ocean garbage patches has been found to contain toxic chemicals that can be transferred to the animal consuming it. Consumption passes toxicity up the food chain, and eventually ends up in human diets – potentially landing on the plates of consumers.

According to a study conducted in collaboration with Deloitte and The Ocean Cleanup, yearly economic costs resulting from marine plastic are estimated to be between $6-19 billion globally. These costs impact tourism, fisheries and aquaculture, plus (governmental) cleanups; this tally does not include the impact on human health and the marine ecosystem (due to insufficient research available).

Plastic pollution is one of the biggest challenges humanity faces today. It is complex and multifaceted, requiring a range of solutions both big and small. And the problem intensifies by the day – demanding urgency in our actions. To achieve clean oceans, The Ocean Cleanup is developing safe, scalable, and efficient methods to remove floating plastics from ocean garbage patches, and to stop its continuous flow from entering the oceans via our rivers.

OUR SOLUTIONS:
THE OCEAN CLEANUP TECHNOLOGY



OCEANS

Following years of scale model tests, (re)design work, and prototyping, in 2018, we launched our first ocean cleanup system. This initial iteration brought invaluable insight and learnings, yet its design was unable to effectively retain plastic and, unfortunately, suffered a structural failure which caused an early return to shore on December 31, 2018. Using knowledge from this first deployment, we initiated development on a smaller modular cleanup system, System 001/B, to swiftly resume testing within the North Pacific. With System 001/B, we were able to capture, retain, and harvest plastics in an offshore environment. At the end of the trial period, we returned to shore and began iterative work on next steps of our path: design and development of System 002. More so an intermediary testing system, the objective for System 002 is to lead us to a design that not only captures and retains floating plastic, but whose framework can scale. As we work to solve this complex challenge, we are continually learning by questioning our ideas and assumptions. Insights gained from this next offshore campaign will be used to advance The Ocean Cleanup towards a blueprint for a fleet of systems.

RIVERS

Beginning in 2015, our team investigated the feasibility of river cleanup on a global scale. To help us achieve our ambitious goal of ridding the oceans of plastic, we need to close the tap and clear away legacy pollution, so the idea of the Interceptor was born. In 2018, following extensive testing in the Netherlands, a prototype design Interceptor 001 was built; it was later installed in Jakarta, Indonesia, in 2019. Later that year, an additional Interceptor, 002, was deployed in Klang, Malaysia.

On October 26, 2019, we made public, and debuted, the Interceptor as our solution for tackling plastics in global rivers. With the introduction of the Interceptor to the world, we now look to expand Interceptor operations in the most polluting rivers around the globe. At the close of 2020, we had three Interceptors installed: one each in Indonesia, Malaysia, and the Dominican Republic. There was one more in Vietnam being prepared for assembly. Future interventions have been announced for U.S.A. (Los Angeles County), Thailand, and Jamaica.

PROJECT PROGRESS

As The Ocean Cleanup matures, so do our processes and definitions of project timelines. With that, in 2020, we introduced project development phases for our technology. Setting benchmarks for progress will aid our Funding and Partnerships team to align support with project needs. Our newly implemented organizational development phases are as follows:

- **Feasibility:** This phase is centered around ideation, research, and initial small-scale technology exploration. During this time, the team works to define the working principles of a project.
- **Development:** The aim of the Development Phase is to test the technology in a proven, working, full-scale concept within an actual operating environment. The operating and business models are also defined in this phase.
- **Validation:** Here we must confirm that the technology is fully functional and that we have established valid operating and business models surrounding deployments for scale-up.
- **Scale-up:** At this stage, we begin rolling out proven solutions. This includes the corresponding operating and business models needed for the number of deployments.
- **Stability:** The final development phase entails the continued outsourcing of operations (including maintenance and finetuning) to implemented systems until cleanup is completed.

Our Ocean project remains in the Development Phase while we continue to adapt and refine the ocean technology design. The Rivers project is in the Validation Phase as we prepare to scale up. Meanwhile, our efforts in Research and Valorization (recycling) continue to move ahead.

RESEARCH

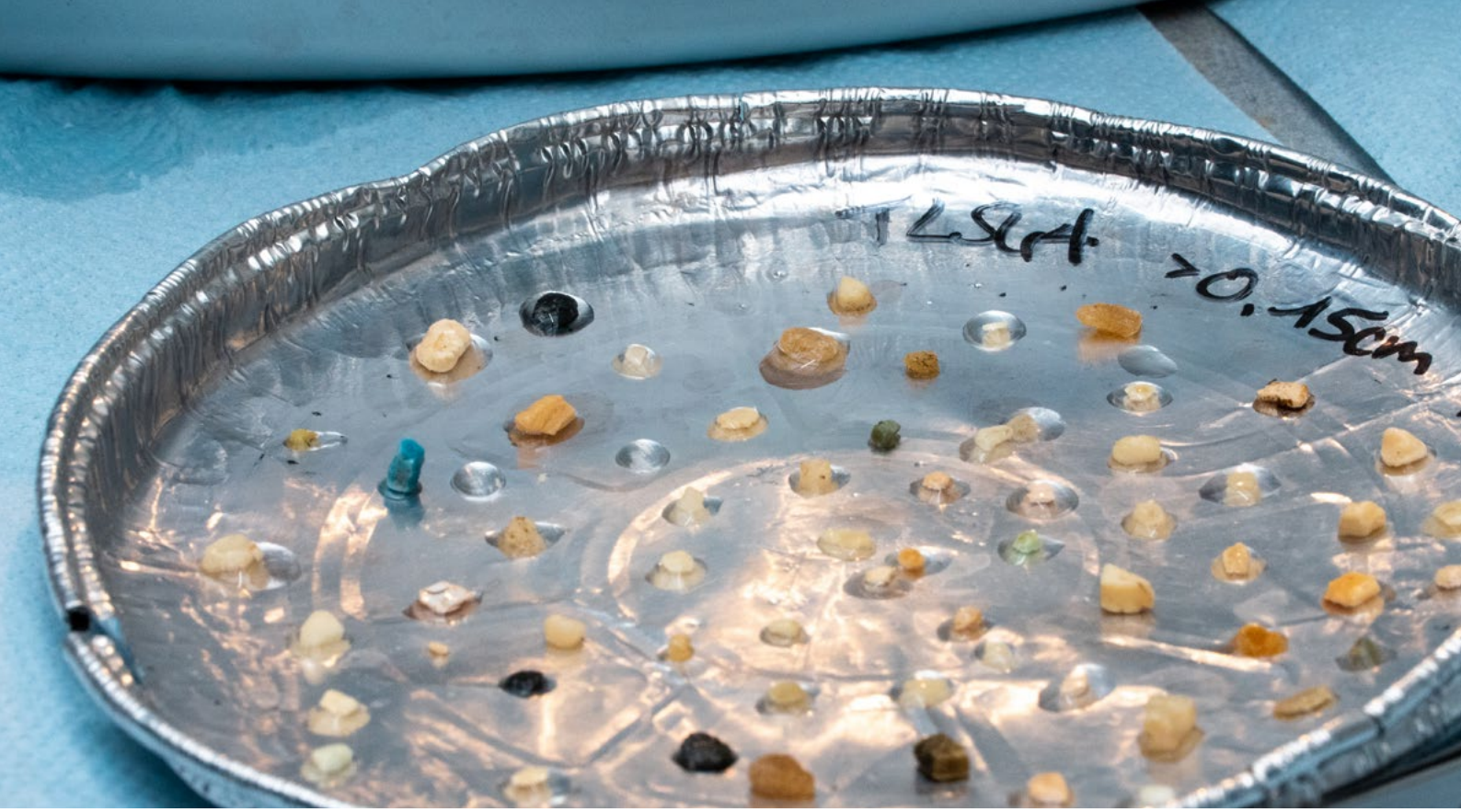
Understanding the properties of ocean plastic pollution is critical for developing efficient cleanup systems, determining optimal deployment locations, and creating suitable recycling processes. If we are to accomplish the mission we set out to achieve, we must start by understanding the challenge.

Initial projects at The Ocean Cleanup focused on managing our own expeditions and independent research. Through excellence, tempered by humility, our focus to first understand the problem, then to act iteratively, is attracting the attention of others. Today, we are pleased to be seen as a vital contributor within a global audience that is seeking solutions – scientists, researchers, engineers, oceanographers, analysts, and problem solvers. We initiate global dialogue on important environmental issues. We are invited to publish or co-publish influential papers and participate in worldwide scientific conferences and panels. In 2020, The Ocean Cleanup researchers were involved in eight peer-reviewed scientific publications. As our work expands, we are humbled to contribute to, as well as pool understanding with, the world's leading scientists in the field and others working to solve many of today's most urgent challenges.

FIRST EVIDENCE OF PLASTIC FALLOUT IN THE NORTH PACIFIC OCEAN

In May, based on data obtained during earlier studies of the Great Pacific Garbage Patch (GPGP), our peer-reviewed research, "First Evidence of Plastic Fallout From The North Pacific Garbage Patch," was published in the journal Scientific Reports. From our deep-sea water sampling conducted below the Great Pacific Garbage Patch, we discovered that plastic was present at every station – from the ocean surface to deep below. Fully intact pieces tended to float at or close to the surface; microplastic fragments were prevalent at lower sea levels. This decomposition indicates that plastic within the Great Pacific Garbage Patch is slowly leaking into the entire water column. Fortunately, our initial results suggest that the majority (> 90%) of the plastic mass in the Great Pacific Garbage Patch is located in the top 5 meters of the upper 2,000 meters of the water column we sampled; most debris remains at the surface.

This is good news for the cleanup, but it does mean there is increased urgency to remove the trash before it breaks up and spreads throughout the water column. While we believe this natural decomposition process will take place over many decades, it directly points to the importance



of our work today. Left to sit in our oceans, plastic will continue to degrade and continue to contaminate below ocean garbage patches – where cleanup is even more difficult, if not impossible.

RESEARCH ON FLOATING PLASTIC DEBRIS

Taking the knowledge gained from multiple field expeditions conducted by The Ocean Cleanup, and those executed by our academic partners, we published a new and larger dataset on the surface concentration of ocean plastic gathered in regions between Hawaii and Alaska. This set of 2019-2020 findings was published in Environmental Research Letters in November 2020. Studies show that debris accumulates differently within the Northeast Pacific Ocean basin as a function of its size. Armed with this insight, we will conduct reconnaissance missions to identify the short-scaled accumulation of large debris inside the Great Pacific Garbage Patch.

NEUSTON ORGANISMS

Protecting and preserving marine life is paramount to our mission as we rid the world's oceans of plastic. So, in addition to studying the behavior of plastic debris within the North Pacific Ocean, we examine marine life activity within various regions, particularly locations where future cleanup operations are slated.

Throughout 2020, our Environmental Research team systematically tracked and documented organisms that can cohabitate with debris at the surface of the ocean, particularly organisms from the neuston community – a collective of species living at the sea surface ranging from jellyfish-like drifters to sea snails. What we found, however, is that there is a considerable paucity of scientific data on the presence of neuston in the Great Pacific Garbage Patch; data such as temporal and seasonal influences, as well as the neuston's ability to coexist with plastic. With that in mind, during our offshore operations in 2019 we collected samples from within the Great Pacific Garbage Patch, as well as outside that region, to investigate how the presence of different neuston species vary across areas with diverse concentrations of floating plastic debris. The findings, published June 3, 2021, in Frontiers in Marine Science, point to a nonlinear relationship between plastic and neuston concentrations. This initial observational baseline will aid us in developing ecological models to evaluate long-term impacts of plastic pollution on neuston. Findings will also help us assess which neustonic species may be affected by our cleanup operations in the Great Pacific Garbage Patch, as well as help the team optimize its approach for return to the region with System 002.

MAPPING THE WORLD'S RIVERS

The world's rivers are the arteries that carry plastic to the oceans. In fact, our research shows that roughly 1,000 rivers in locations around the planet transport up to 80% riverine plastic entering our oceans. This is a figure much larger than previously thought by the scientific community.

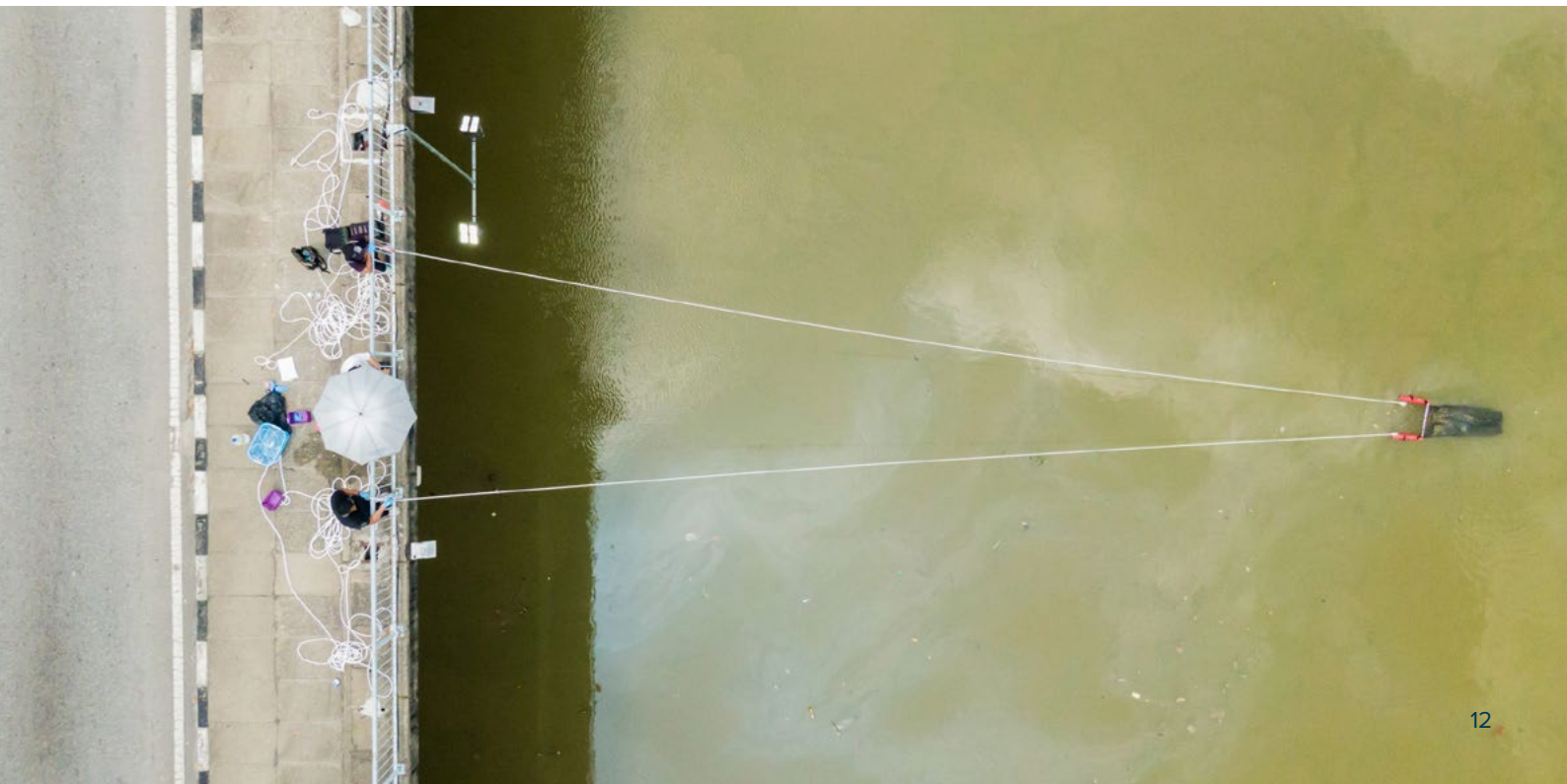
We at The Ocean Cleanup believe that if the culprit can be removed while still within a river, we have a better chance at reaching our goal of clean oceans. For removal of river plastics, we will deploy our Interceptor solutions. Our Rivers Research team has refined a data-driven predictive model that is able to estimate plastic emission levels in candidate rivers. Armed with this insight, not only can we determine the most polluting rivers that would benefit from an Interceptor, but we can also pinpoint locations within the river where to best position the Interceptor. Working to a global scale, our model factors in data for waste management and population density, plus environmental input such as topography, climate, and land use. The model is calibrated against field observations of floating plastic fluxes within many rivers around the world. At the end of 2020, this extensive study completed peer-review, and was published within the journal Science Advances, April 30, 2021.

CITIZEN SCIENCE

Despite the global pandemic which severely restricted our abilities to travel and perform on-site observations, we found ways to obtain from-the-field data, one of which was using a new tool for our citizen science community. Introduced in December, the River Plastic Survey app shares observed data captured by conscientious citizens around the planet. The app can identify types of debris, as well as report on levels of pollution flow within rivers. The River Plastic Survey app is based on our Ocean Survey app, developed for the Mega Expedition in 2015; the ocean app allows seafarers to report the concentration of plastics at sea. Both our river and ocean survey apps greatly enhance our own research and analysis. Each provides live-feed data into an online visual tracker, the Citizen Scientist Map.

During the year we also worked with global citizen scientists to conduct a second campaign of interviews with stakeholders from the fishing industry. The purpose of this research was to better understand which fishing techniques contribute to ocean plastic pollution. Information obtained will aid our quest to quantify and characterize sources of plastics in our oceans. With their dedicated efforts, our citizen scientists collected twice as many data points versus our first campaign the year prior.

Sharing of data acquired by global communities is critical to helping us refine our analytical models. Citizen science helps us substantially increase our database of plastic pollution behaviors and concentrations.



RIVERS

The Interceptor is The Ocean Cleanup's answer to removing river plastic debris. It is the first scalable solution to prevent river plastic from entering the world's oceans. The Interceptor is 100% solar-powered, renders no fumes or pollutants, extracts plastic autonomously, and is capable of operating in polluted rivers all over the world. We are constantly improving upon its design, operation, and effectiveness. As we expand into more rivers, we have been investigating and developing adaptions to the Interceptor technology to address the unique conditions of other river types around the world. At the end of 2020, three Interceptors were operational in three locations. One was in queue for assembly and two more were under construction. By December, our new manufacturing partner Konecranes and The Ocean Cleanup design teams had succeeded in delivering the next generation design for the Interceptor. This new blueprint permits us to rapidly scale up operations. Our partner Konecranes will use its MHE-Demag facility to manufacture, assemble, and maintain future Interceptors. Having this outsourced contract manufacturing partner advances us to a next phase of operations. Konecranes' expertise and global reach will help us to more quickly deploy future Interceptors to additional cleanup venues.

At the end of 2020, Interceptors 001, 002, and 004 had collected a total of approximately 250,000 kilograms of waste. We are encouraged by what we learned; these first three Interceptor installments have provided valuable insight. With every challenge, we advance through improvements that refine the design, technology, and/or processes. In 2021, we aim to increase yields through the expansion of deployments, and to meet constant improvement goals for efficiency and uptime.

INTERCEPTOR 001

Our first-generation prototype, Interceptor 001, has been installed in the Cengkareng Drain, Jakarta, Indonesia, since 2019. In early January 2020, the country experienced its highest rainfall of the past century. Widespread mudslides and flooding ensued, displacing more than 150,000 citizens.

Despite the increase in water speed and pressure within the river, Interceptor 001 remained moored in place. No loss resulted. However, the barrier broke, as it was designed to do; one of the connection points severed on the barrier arm. The team successfully remedied the break within four weeks and 001 was operational again by February 1.

INTERCEPTOR 002

According to our research, the Klang River in Malaysia is one of the 50 most polluting rivers worldwide. Since 2019, we have had an Interceptor installed in this waterway. Last year, the operation of 002 was beset by a few limitations; some related to COVID-19 travel limitations, others challenged by inability to obtain and/or replace parts.

When deployed August 2019, the operational software for 002 had not yet been programmed to run in auto-mode, so initially, uptime and river trash acquisition was not the best it could be. A software fix was made in the early part of 2020, which permitted operations to shift from manual-only to auto-mode. This increased uptime and eliminated the need for a physical presence 100% of the time. In February, we faced a setback from a broken shaft on the conveyor belt, which halted operations. Replacement parts did not arrive until June, with the installation of the new shaft conducted in July. At the end of January 2021, Interceptor 002 had returned to full operation in auto-mode.

INTERCEPTOR 003

Interceptor 003 received approval to proceed in 2020. Since that time, an assembly team has been working in Can Tho Mekong Delta in Vietnam, assembling, installing, and commissioning this Interceptor. The system is expected to be deployed and operational by summer 2021. Construction and assembly were delayed due to COVID-19. The necessity to quarantine minimized our crew travel. We saw delays in shipments, plus challenges to receiving parts. Despite the hurdles, we continued to work through permitting, legal, and forging ahead with local partnerships.

INTERCEPTOR 004

Interceptor 004 arrived in Santo Domingo, Dominican Republic, in early March. Unfortunately, due to the onset of pandemic shutdowns, its installation in the Rio Ozama was delayed for several months. In August, a deployment plan was green-lighted and executed. The ongoing operation of Interceptor 004 was soon hampered by the start of the annual hurricane season; a few days later tropical storm Isaias arrived, causing large amounts of water hyacinth to become uprooted and flow downstream. This displacement clogged a nearby floating bridge. With the Interceptor unable to pass the bridge until the plant matter was cleared, operations were again delayed. Two weeks later, the Interceptor was again re-installed. Five operational days were logged, but a second tropical storm arrived, Laura, and hit the island. Interceptor 004 was not affected by the storm itself, but massive amounts of water hyacinths overloaded the system. The pressure created by the floating mass caused one of the land moorings to become damaged. Determining it best to halt operations during this heavy tropical storm season, the team removed the Interceptor from its venue.

In late December 2020, local partners and operators installed Interceptor 004 once again. Anchored by a newly designed stronger mooring, it was operational as of December 25. Since that time, 004 has continued to pull debris from the waterway. Despite the obstacles, we have benefitted from the experiences and lessons learned. Our partner, the Dominican Navy, is now armed with a “Hurricane Season Protocol.” The team continues to develop ways to maximize uptime, plus proactively tackle the water hyacinths issue.

THE BENIOFF OCEAN INITIATIVE AWARD

In 2019, The Ocean Cleanup was awarded a 1M USD grant by the Benioff Ocean Initiative and The Coca-Cola Foundation through their support of the Clean Currents Coalition, a network of organizations working to stem the flow of plastic waste from rivers into the ocean. The Clean Currents Coalition is comprised of nine teams combating riverine waste around the world. Funding for The Ocean Cleanup’s effort will support a multi-year project of cleaning gullies in Kingston, Jamaica, as well as local awareness programming through a local partner. According to our research, Hunts Bay is Jamaica’s most polluted body of water. During 2020, the team took steps to understand in-depth the nature and extent of the challenge of waste pollution entering the harbor basin via drainage gullies in the region. This research and analysis help us determine which solutions to use based on each region’s specific circumstances.

SERIES PRODUCTION BEGINS WITH MANUFACTURING PARTNER KONECRANES

The Rivers project is currently in the Validation Phase. As we prepare to scale up our Interceptor solutions in the heaviest polluting rivers around the world, it will be important to quickly deploy them in targeted locations. Deploying

Interceptors on a large scale is necessary to address the urgent problem of ocean plastic pollution. To that end, building partnerships with firms that can help us design, manufacture, deliver, and service solutions is essential. Partnerships allow us to focus on our core competencies, such as research and technology development.

In 2020, The Ocean Cleanup established a manufacturing partnership with Konecranes. Selected for the firm's expertise and worldwide footprint, the Konecranes MHE-Demag facility will produce and assemble future Interceptors. Manufacture of two additional Interceptors started in Q4 2020 and, upon their completion, the build for a two more will commence in June 2021.

THE THIRD GENERATION INTERCEPTOR

For both our ocean and river cleanup operations, we have chosen to follow an iterative design path. This means that we continually learn, adapt and update technology, equipment, and even processes in real-time. The Generation 3.0 Interceptor design is the culmination of all that we have learned to date. Its blueprint is the result of knowledge gained from Interceptor deployments 001, 002, and 004. Notable Generation 3.0 design updates include:

- Conveyor belt: The conveyor belt is now 2.5 meters wide (1.6x wider). The expanded width provides for a less obstructed flow of debris, plus better distribution to the dumpsters.
- Barge and dumpsters: To make the most of a new and wider conveyor belt, the barge and its six dumpsters inside the Interceptor have been widened as well. This makes transfer of debris from each dumpster both easier and more efficient. It also increases overall storage volume.
- Power and energy system: Improved monocrystalline solar cell panels and higher capacity Li-ion batteries will power the Interceptor. This 100% smart energy storage solar-powered system is smaller than in the previous build.
- Catamaran structure: An updated platform features a new frame and catamaran structure built from the ground up reduces material usage and assembly time.

These revisions are intended to not only improve productivity, but the new modularized catamaran structure will also help us rapidly scale operations. The Generation 3.0 design permits serialized production, plus faster assembly at a deployment site. Manufacturing partner Konecranes' MHE-Demag facility will oversee construction of our upcoming Generation 3.0 Interceptors.

OCEANS

SYSTEM 002 PROGRESS: DESIGN, ENGINEERING, TESTING

System 002 is the next step in our technology development which moves us closer to a fully operational and scalable cleanup concept. Throughout 2020, the Ocean team remained steadfast working on this follow-up design to System 001/B. The year kicked off with an extensive engineering campaign to post-process the data collected during our four-month offshore campaign in 2019. In tandem with this engineering effort, the team developed a testing plan to streamline and facilitate The Ocean Cleanup's fast learning and testing philosophy. Various design modifications were made to address the main obstacles faced by System 001/B. The team then conducted a series of tests to investigate the best way forward, including a large basin test campaign at MARIN (Maritime Research Institute Netherlands).

Our focus during the trials at MARIN was on the behavior of plastics in the retention area, wave radiation in and outside of the retention area, tangential transport along the barrier, plus overtopping and underflow. We also trialed a design concept that added a plastic intake mechanism. A key takeaway while testing in the water was that if we maintained a stable speed difference between the system and the floating trash, we would retain and preserve catch within the retention area. Further, that inclusion of the plastic intake mechanism would not be needed. We also observed that there is a sweet spot in the system's speed through water that is required in order to catch an optimal amount of plastic. To test retention within an ocean environment, our next trials were conducted in the North Sea.

NORTH SEA TESTING

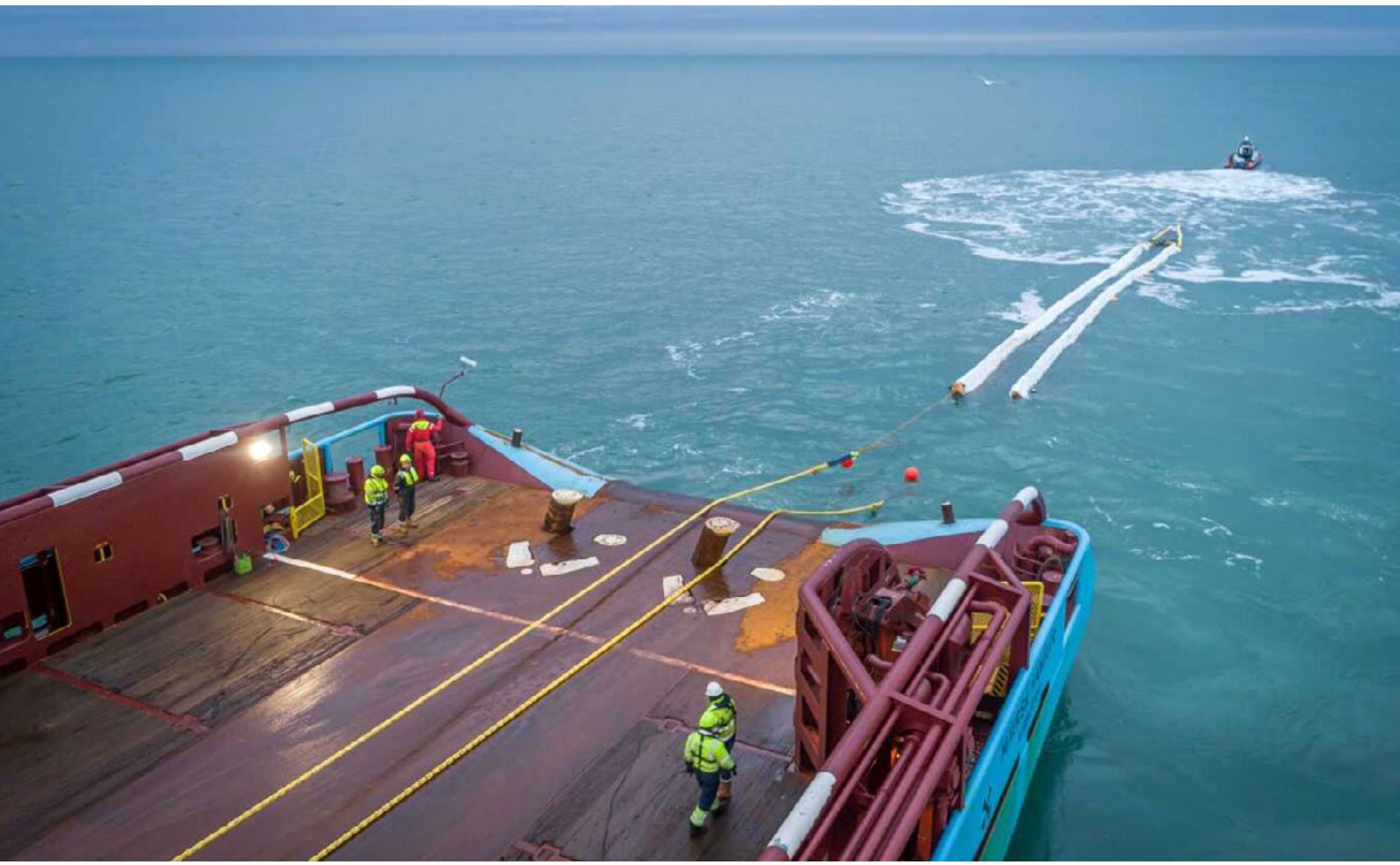
Following months of preparation, the North Sea trials for our updated system commenced in November. The main objective was to assess retention performance of the

System 002 concept at representative scale. To do this, we used carefully selected organic material that mimicked plastic debris to act as the “catch.” Together with our marine partner Maersk, the operations were safely and successfully completed despite COVID-19 and challenging weather conditions. While there is room for improvement on some details, the overall retention design showed promise. Our mock plastic was transported to the central retention area and no serious loss was observed. As with other campaigns, we shall maintain a strong focus monitoring and tracking environmental impact. Applying all that we have learned, our next step is to trial the System 002 technology in the Great Pacific Garbage Patch in July 2021.

HUMBLED LEARNINGS AND DRIVE TO RETURN TO THE OCEAN

The slow-down concept (using a parachute sea anchor) of System 001/B was confirmed during our time offshore in 2019, although it became evident that the design could not realistically scale. Several factors – including inability to consistently maintain a stable speed difference, limited span, and drift-out potential – hindered this design’s ability to capture an optimal amount of plastic. Post-processing of our offshore and test data showed that System 001/B’s retention system worked, but that it would require hundreds of systems to achieve our goal of 90% reduction by 2040. This many ocean cleanup systems would be economically and temporally inefficient.

As is intrinsic to iterative design, progress can sometimes be gradual but with every learning opportunity, scheduled or unscheduled, we move closer to our goal. While evaluating lesson learned, solutions to known setbacks were being developed at the same time. It was only once System 001/B’s shortcomings were fully identified in an actual working environment, that the engineering team could begin to most effectively redesign for System 002.



VALORIZATION

An important objective for The Ocean Cleanup has always been to go full circle with operations: to recycle our plastic catch into something durable, sell it, and then use the proceeds to conduct more cleanups. This funding model gives individuals around the world the ability to own a re-purposed object made of plastic that once polluted the ocean. In turn, trash to treasure yields a valuable contribution, helping us to continue pursuing our mission.

During 2019, we extracted our first ocean plastic haul from System 001/B. The campaign lasted four months. Upon project completion, we returned with this debris haul that included a significant volume of fishing nets. A few months later, in December, the catch was brought to shore in Vancouver and then transported to Rotterdam for recycling. Once the material was sorted, recycled, and tested for safety and regulatory compliance, we were able to complete the plastic's transformation from trash to treasure.

INTRODUCING: THE OCEAN CLEANUP SUNGLASSES

Through vision, dedication, and help from numerous partners, we achieved a first proof point that plastic trash removed from waterways can be repurposed into items whose sales will help sustain our ongoing cleanup efforts. On October 24, 2020, we launched our first product, The Ocean Cleanup sunglasses. Each pair has been produced using reclaimed ocean plastic certified by DNV, an independent global verification body, to have come from the Great Pacific Garbage Patch. Proceeds from each pair of sunglasses, offered at 199 EUR/USD, will enable the team to clean an area equivalent to 24 football fields.

At the close of 2020, 42% of this limited batch of sunglasses had been shipped to supporters all over the world. When every pair has been claimed, proceeds shall be directed at cleaning an area of the ocean roughly equal to half a million football fields. Going forward, we plan to partner with additional consumer brands interested in using our reclaimed material in their sustainable products.

DNV CERTIFICIATION

Wishing to maintain transparency and honesty in our practices, when initiating efforts to develop our first product made with our plastic catch, we sought certification and validation. Our aim was to ensure traceability all the way back to the point of catch, but we discovered that no accepted standard existed for ocean harvested material.

Regarded for their renowned expertise with other chain-of-custody models, we engaged independent global verification body DNV to create an entirely new standard. A chain-of-custody model validates a specific claim made along the entire value chain. The standard developed by DNV has gone through a comprehensive two-step consultation process whereby external stakeholders and companies review and validate the model. With this newly established chain-of-custody validation, we can confirm the origin of plastic retrieved from any body of water.

MITIGATING RISK

PROTECTING THE NATURAL ENVIRONMENT

We continually seek to gain an understanding of how our technology affects the environment, with the goal of maximizing a net positive effect of our work. Protecting the natural environment is at the core of our work, and the main driver behind development of our technology. During 2020 we prepared ourselves for more data-driven impact monitoring and transparency. We expanded our Environmental team with the addition of Michelle Tishler, Head of Environmental and Social Affairs. We also increased our collaboration efforts with additional (marine biology) scientific institutes.

The Ocean Cleanup Environmental team consists of scientists and professionals in fields such as marine biology, oceanography, and marine biogeochemistry; some of whom are experts in protected species, environmental assessments, and anthropogenic impacts.

Prior to each Interceptor deployment, we work with local and global partners, plus expert consultants to scan for environmental and social impacts unique to the specific conditions of each river, as well as to comply with local environmental laws and regulations. In advance, we learn as much as possible about how our technology will operate in its intended location. We gather data and speak directly with local operators to also anticipate how animals may interact with the Interceptor.

For our work in oceans, we incorporated into the design of System 001/B mitigation measures similar to those found in System 001; such as the use of lights on the screen to deter marine fauna while continuing to monitor marine mammal activity. Throughout Mission One, the only interactions between our systems and marine life were intermittent by-catch that included a limited amount of neuston organisms. Our evidence suggests this interaction had no consequential impact on neuston population levels. When we return to the North Pacific, we will continue to sample

and monitor neuston to increase our understanding of this complex ecosystem. Once we have finalized the design changes for System 002, third-party CSA Ocean Sciences will conduct another environmental impact assessment, and develop a dedicated monitoring program to help us gain a better understanding of possible interactions before we develop subsequent systems and, eventually, scale up.

Weighing the alternatives of leaving the pollution (to further impact ecosystems) versus yielding an impact by removing it must be continuously validated using the latest data – systematically and accurately. At The Ocean Cleanup, we prefer considered action over inaction, but are always looking at both.

HEALTH AND SAFETY

To curb the spread of COVID-19, health and safety measures were heightened for our staff, with additional protocols such as working from home, implementing an office attendance booking tool, mask requirements, and travel restrictions. The time was used to better set up ourselves for the next phases of our work. During this time, some of our mission critical testing was executed successfully and safely with essential help from our partners. Throughout 2020, we did not incur any health and safety incidents. We took our time to improve our safety culture, prioritizing the necessity for risk assessments.

COVID-19 AND THE OCEAN CLEANUP

Despite the necessity to slow down our scheduled programming we forged ahead in our mission, while strengthening from within. As was the case for most organizations worldwide, our efforts were impacted due to the closure of most travel, inability to conduct business in person, and government efforts shifting to curb the spread of the disease. These hurdles resulted in considerable delays for rolling out Interceptor projects.

The Ocean Cleanup crew spent the majority of 2020 working from home. Given our international team, lockdowns and quarantines were difficult for some, largely due to the long-term isolation from friends, family, and/or fellow colleagues. The Management Team sought to keep everyone well informed and safe with newly implemented health and safety guidelines. We took care of one another, helping each other through the struggles that resulted

from this unprecedented way of living. Unfortunately, and despite best efforts, some team members did have close experiences with the disease.

In reflection, there were positive takeaways. The support and warmth from colleagues increased the strength of the crew and showed us what connections can build – even remotely. And, while our goals to clean the ocean and rivers were slowed, our efforts did not halt.

COMPREHENSIVE RISK APPROACH

We systematically prioritize the risks to our mission according to likelihood and potential impact. This allows us to appropriately manage the essential mitigating actions, systems, and processes, plus obtain insurance coverage where required. Risks and mitigating management actions are reviewed, assessed for favorable or unfavorable trends, and prioritized on a quarterly basis with the involvement of the complete Extended Management Team to ensure awareness and ownership. In these discussions, the Extended Management Team also determine the risk appetite and the extent to which risks are accepted in order to forward our mission.

The COVID-19 pandemic had not been identified as a risk specifically, but management mitigation measures were available to prevent impact beyond what was experienced and expected.

RESPONSE TO CRITICS

We have always invested in increasing the scientific understanding of the plastic pollution problem, as well as fully understanding the impacts from our operations. Taking new data collected by The Ocean Cleanup scientists in 2019, we can begin filling current knowledge gaps for our ongoing study of the neuston, as well as other scientific areas. During 2020, some focus remained on criticism that our ocean cleaning may significantly harm neuston; the concern being that we had not given this subject enough attention. We appreciate fellow scientists holding us accountable to consider all aspects of our mission – whether it be on the scale of the pollution itself, the sources of the pollution, the actual harm to the environment, or our persistence. We continued to engage with various critical voices and applaud the tenacity of some. We will continue to take a step-by-step approach, assessing risks and unknowns before advancing, so that we may get the most out of all that we do without rendering harm or disruption.

Risk category	Risk	Risk appetite	Impact	Likelihood
Strategic risks	Failure to execute our mission	Low	High	Medium
	Reputational damage through partner association	Low	High	Medium
	Failure to attract sufficient donation income	Low	High	Medium
Operational risks	Inability to attract, develop, and retain talent	Low	High	High
	Technology development is not successful or competitive	Low	High	High
	Health and safety of staff when working offshore and with large equipment	Low	Low	Medium
	Failure to consider all potential environmental and social impacts of projects	Medium	High	Medium
Legal and compliance risks	Operating in compliance with laws and regulations internationally	Low	Medium	Medium
	Operating with partners in jurisdictions high on the corruption index	High	Medium	Medium
	Information security risk	Medium	Medium	Medium
Financial risks	Unfavorable movements in foreign currencies	Medium	Medium	Medium

STAKEHOLDER MANAGEMENT

PUBLIC AND GOVERNMENT AFFAIRS

In 2020 we added a full time Government Affairs function to support the organization in (i) building and strengthening relations with governments in our countries of operation and with international organizations; (ii) following international regulatory developments especially within the UNEP (United Nations Environment Programme); and (iii) grant applications with the European Union and World Bank.

At the beginning of the year we joined the Dutch State visit and Trade Mission to Indonesia which included a site visit to Interceptor 001. Once the pandemic took hold, COVID-19 travel restrictions affected our efforts to establish and maintain contacts with foreign governments. It was not until November that team members were able to travel to Vietnam to engage with the Vietnamese government to review approvals on the operation of Interceptor 003 in Can Tho.

The international call for a treaty on plastic pollution is an effort being channeled through UNEP and the Government Affairs function obtained observer status to follow the discussions. Boyan's role on the EU Mission Board for Healthy Oceans is now primarily managed by the Government Affairs function.

Support from the Government of the Netherlands remains crucial across our agenda. In addition to their close cooperation in preparing for the Trade Mission to Indonesia, we remain in contact with the Ministry of Infrastructure and Water Management to provide regular briefings.

PARTNER RELATIONSHIPS AND DEVELOPMENTS

Attracting and receiving donations grew more challenging due to the pandemic. Our Fundraising and Partnerships team continued to strengthen relationships with longstanding partners. One notable achievement was extension and further development of our agreement with Maersk.

The Ocean Cleanup is a small team with a mission of global proportions. It is not feasible for us to carry out every aspect of our work on our own. This is why partnerships are vital for our success. Recognizing that our organization's capacities cannot support all of our international ambitions, a new tier of partnership was defined in 2020: Global Implementation Partner. This level of contribution entails collaboration with global entities who have the footprint, resources, and connections to help us establish operations in countries where we might otherwise have difficulties pursuing on our own. As we grow and seek to achieve our mission as quickly as possible, Global Implementation Partnerships will be key to expediting our efforts.

SIGNING OF A.P. MOLLER – MAERSK PARTNERSHIP EXTENSION

At the end of 2020, we extended a vital partnership with this global transport and integrated logistics expert. Success in our oceans is highly dependent upon partnerships, for which the team is grateful to A.P. Moller – Maersk. Since 2018, Maersk has provided critical support for our offshore operations. A contract extension through 2024 will not only enable our mid-2021 ocean deployment, but also support additional Interceptor deployments. Maersk will continue to support The Ocean Cleanup with logistics and end-to-end handling services that range from worldwide shipment from various locations, to airfreight, container and special transport, customs clearance, plus warehouse and storage management. Maersk Supply Service will provide marine offshore support, plus end-to-end supply chain management services for both ocean and river projects.

ENGAGING WITH THE SCIENTIFIC COMMUNITY

As a technology-driven organization it is vital that our team engages with, and has a seat at, the table of scientific discussions. Although most in-person scientific conferences were canceled during 2021, members of our team regularly participated in panels and public discussion, remaining connected to other industry experts.

During the year, scientists and researchers from The Ocean Cleanup participated in a collaborative review with an international team of academics and plastic pollution experts from various organizations, led by Dr. Stephanie Borrelle. The review, "Predicted Growth in Plastic Waste Exceeds Efforts to Mitigate Plastic Pollution" published in Science, estimates the magnitude of plastic waste entering aquatic environments, as well as evaluates the efficiency of different mitigation strategies.

THE ORGANIZATION

In 2020, our organization continued to grow, allowing us to introduce more structure and professionalism. While doing so, we took special care to retain and define the innovative culture of The Ocean Cleanup. To safeguard against any type of misconduct or fraud, we maintain a baseline of standard procedures, guidelines, and ethics standards.

CULTURE DEVELOPMENT

With the growth of The Ocean Cleanup organization, as well as an increased focus on quality and evolution of commitments, we perceived there to be a growing need for common understanding and practice of implicit company values. In the past year, our Human Resources team lead an effort to define tenets of The Ocean Cleanup culture and to identify areas for improvement. Together with an experienced third party, we have – via team days, interviews, and focus group workshops – identified areas for change. Our objective in conducting this assessment was to define,

then create, ways to embrace a consistent set of fundamental beliefs on which we base our behavior, and that allows us to celebrate desired behaviors. This set of beliefs is one in which there is room to learn from mistakes, and where objectives and motivation are aligned to further strengthen company culture.

For The Ocean Cleanup, succeeding not only requires us to follow the right strategy, but also requires a special breed of people and specific way of working. Success is achieved through the fusion of strategy and culture. What resulted from our internal cultural development is a definition of four pillars that shape our cultural philosophy.

STAFFING AND GOVERNANCE

The Ocean Cleanup depends on teaming with bright minds in a range of professions, including engineers, computational modelers, and researchers. Yet we know that to achieve our mission, every function and department is essential, from legal, human resources, business development, communications, finance, accounting, partner development, to office management. Our team is an ecosystem of driven individuals working together to rid the oceans of plastic. At the close of 2020, our team consisted of 107 crew members; this included 91 full time employees (FTE), of which 42% are female and 58% male, representing 21 different nations.

To ensure a continued high standard of scientific work, The Ocean Cleanup actively collaborates with universities and institutions around the world, including: TU Delft, University of Miami, Utrecht University, University of Oldenburg, ETH Zurich, University of the Aegean, Can Tho University, Ho Chi Minh University, University of Hawaii at Mānoa, Hawaii Pacific University, Oxford University, UFZ Leipzig, Universidad Autónoma de Santo Domingo, The University of West Indies at Mona, UCSD Scripps, and the Royal Netherlands Institute for Sea Research (NIOZ). 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 contribute to, and challenge, The Ocean Cleanup's designs and strategies.

The Ocean Cleanup Management Team is led by Founder and CEO, Boyan Slat, and Managing Director, Chris Worp. In 2020, the team also included Lonneke Holierhoek (Director of Operations), Ewout Eelkman Rooda (Rivers Director), Henk van Dalen (Ocean Director), Dan Leahy (Chief Development Officer), and Jos Huijbregts (CFO). The Extended Management Team is comprised of Joost Dubois (Director of Communications), Josee Meiners (Human Resources Director), Rutger de Witt Wijnen (General Counsel), and Leonardo Avezzano (Head of Valorization).

Complying with the recognized two-tier corporate leadership structure for continental Europe businesses, the Management Team operates distinctly from its Supervisory Board. By law, the Supervisory Board consists of a minimum of three (3) individuals. The role of the Supervisory Board is to advise, as well as hold management accountable for all major decisions (which can only be implemented with Supervisory Board approval). The supervisors also act as a sounding board for the management team. This group is comprised of Bert Bruggeman (Chairman), Jaska de Bakker (Finance & Governance), Frederik Gerner (Technology and R&D), Chris van der Vorm (Communications). In 2020, the Supervisory Board was supported by Senior Advisor Feike Sijbesma.

For our U.S.-based foundation, The Ocean Cleanup North Pacific Foundation, we operate as a registered 501(c)(3) non-profit. In 2020, the U.S. foundation was governed by our U.S. Board of Directors, consisting of Carl van der Zandt, Mark Hawkins, U.S.C.G. Vice Admiral Rob Parker (retired), Boyan Slat, Lonneke Holierhoek, and Jos Huijbregts.

Aside from staff, we continue to benefit from the support of motivated and skilled volunteers, interns, and educators around the globe. Thanks also go to our engineering partnerships and joint work research institutes, plus expert professional advisors. New ideas and constructive feedback from outside sources are crucial to aid all that we do.

FINANCIAL PERFORMANCE AND BUDGET

2020 was undoubtedly an unusual year, marked by global disruptions and general uncertainty. From a financial standpoint, we faced anticipated difficulties with the overall shift in focus from many of our partners, supporters, and donors. Persevering, the team revised our 2020 budget, updating expected donation levels, and scaling down activities to best direct spending to areas that could make the most impact in an unpredictable climate.

Stifled, but not halted entirely by the COVID-19 pandemic, we saw an almost 60% decrease in cash donations from €32.4M in 2019 to €13M in 2020, which was offset by a 50% decrease in our organizational expenditure of €10.3M, compared to €20M in 2019. We adapted, ending the year with a healthy cash position of €38M and unfaltering ambition to kick-off big plans in 2021.

Ramifications of the pandemic persisted longer than we anticipated, causing delays to activities and bringing our 2020 total expenditure to €10.3M. This amount was a €5.5M decrease compared to budgeted spend, and an almost 50% decrease compared to the prior year (2019). HR expenditure rose from €6M to €6.6M (2019 compared to 2020). This increase was due to the addition of 11 new full time equivalent employees. The HR expenditure total was offset by €2.2M from the Tijdelijke Noodmaatregel Overbrugging voor Werkgelegenheid (NOW, a wage support package provided by the Dutch Government in response to the pandemic). The NOW support was granted for the periods March to May (NOW 1 €0.9M), June to September (NOW 2 €0.8M) and October to December 2020 (NOW 3.1 €0.5M).

As expected, our operational spending was a third of that in 2019, partly due to the pandemic and partly because we did not have an offshore ocean mission in 2020. Instead, the Ocean team focused on research and testing (€2.6M in 2020) for the scheduled 2021 System 002 deployment.

The Rivers team advanced preparations for the scale-up of Interceptor projects(€3.6M in 2020). General and support costs were comparable to those from 2019. Though lower than our budget, which does not consider in-kind support received, we saw an increase in IT-related fees that resulted from the launch of our online ecommerce platform for The Ocean Cleanup sunglasses.

Despite the decline in 2020 donations, we are nonetheless grateful for the ongoing contributions from the general public and larger donors who continued to support us Donations amounted to €13.5M, which includes proceeds from The Ocean Cleanup sunglasses. We are thankful for this generosity which helped us maintain our cash reserves to start 2021 in a healthy position. With €38M in cash and current assets exceeding current liabilities, we can responsibly carry out efforts into the next 12 months.

We now know the pandemic will likely continue through the remainder of 2021. The resilience of our team gives us hope that, despite having to operate differently from the norm, we will find ways to keep pushing toward our goal of ridding plastic from oceans and rivers. Our approved core budget for 2021 is €17.9M; this does not include the additional projects budgets that we anticipate being approved and taking place in 2021, such as deploying System 002 and new projects in the U.S. (Los Angeles County), Jamaica, and Guatemala. As we scale up, we expect our team to also continue growing by an additional 20 FTE by the end of 2021.

To give the Supervisory Board greater transparency and control in The Ocean Cleanup's financial spending, in 2020, we adjusted our budgeting process. We can now provide more accurate and realistic project budgets closer to their commencement dates, as opposed to once a year, in our annual budget.

Our need for financial support continues to grow; we have set a 2021 goal to reach €16M in donations. The Fundraising and Partnerships team has set in motion an ambitious action plan to support The Ocean Cleanup activities slated to take place going forward. As a project-heavy organization, we will continue to closely monitor changes in economic conditions, as well as effects on our income and operational progress, to ensure that we can adjust budgets where needed.

Subsequent events

Events that provide further information on the actual situation at the balance sheet date, and that appear before the financial statements are prepared, are recognized in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

THE PLAN FOR 2021

As expected and indicated throughout this report, COVID-19 has been a theme that heavily influenced our efforts. Determination exhibited by the team has proven crucial in helping us adapt to new ways of working while finding alternate routes to achieve our goals. Looking ahead, priority will remain on the health and safety of our crew. With the expansion of Interceptor deployments and the deployment of System 002 in the Great Pacific Garbage Patch, our goal is centered around impact. Increased operations will allow us to remove substantially more waste than in years before, pivoting our efforts from aspirational to measurable and actual.

With our updated Ocean design, we aim to return to the patch with System 002 in July of 2021. System 002 will be large-scale and functional. This iteration is primarily aimed at testing the design for scalability so that the next ocean system (003) could become the test blueprint for scale-up. Our plan is to conduct a three-month trial program, with the possibility to continue operations if all targets are met. To be successful in this campaign we will have to reach zero bycatch of protected species, realize no safety issues from operations, and have extracted a significant amount of plastic. Using the plastic catch from System 002, we will also begin developing the next stage of repurposing the catch to help fund continued cleanup.

For the past year, we have been further researching and developing alternative technologies to adopt and add to the Interceptor portfolio – all with the objective to help us achieve clean oceans more swiftly and efficiently.

A WORD OF THANKS

One more year takes us one step closer to ridding the oceans and rivers of plastic. From a humble start in 2013, to growing recognition around the globe, we are encouraged to see more of our projects take shape. Work of The Ocean Cleanup team is only possible thanks to the support we receive from private donors, corporations, and philanthropists. During 2020, generous monetary and in-kind contributions have been made by The Ilsababy Foundation, The Bennink Foundation, Benioff Ocean Initiative, Julius Baer Foundation, Ludwick Family Foundation, the Macquarie Group Foundation, J.W. Couch Foundation, Change Happens Foundation, and various partners via Goldman Sachs Gives. We are additionally grateful for support received from A.P. Moller – Maersk, Latham & Watkins, Deloitte, De Brauw Blackstone Westbroek, Blakes, AkzoNobel, Tito's Handmade Vodka, Brabantia, Globus, IMC, Coldplay, and the Dutch government. An expression of sincerest gratitude also goes to the many benevolent funders who prefer to remain anonymous.

A major effort in 2020 was taken when our team and partners joined forces to design, produce, and promote our first-ever product, The Ocean Cleanup sunglasses. We thank everyone involved who helped us turn trash into treasure.

At the core of all our efforts are our teammates and peers. Points and gratitude to all. Your dedication is admirable. Camaraderie and care prevailed, bringing us closer to reaching our goals.

And to the critics, plus those who bring fuel to our critical thinking fires, we recognize your value. Offering fresh perspectives from additional points of view helps us analyze our work in new ways. Through ongoing and open global conversations we will continue to discover new and effective ways to tackle the global plastics challenge.

We thank the thousands of supporters around the globe whose assistance, financial or otherwise, helps sustain our efforts in the rivers of our world and the oceans that we share. Included in this group are the many online users who spread the word of The Ocean Cleanup by simply liking our pages and sharing our updates. It includes the many grassroot and citizen fundraisers who encourage others to pledge and support. And lastly, we thank the many stylish patrons who have purchased our first-ever The Ocean Cleanup sunglasses – created using plastic extracted during Mission One in the Great Pacific Garbage Patch.

REPORT OF THE SUPERVISORY BOARD

INTRODUCTION

The Ocean Cleanup develops advanced technologies to rid the world's oceans of plastic. The Supervisory Board's (SB) role within this mission is to assist, where possible, and apply checks and balances with the Management Team (MT).

The SB convened five times for board meetings during 2020. In addition, it was involved in two 'deep-dives' on Ocean and Rivers projects and several other meetings to address specific topics such as contracts and budget-related approvals. The SB joined numerous ad hoc meetings and calls with the MT, employees, and/or external advisors. The scheduled quarterly SB meetings covered various topics for in-depth discussions and general updates on a wide range of issues, including stakeholder management, developments, and progress in all key departments of The Ocean Cleanup: Ocean, Rivers, Valorization, Science and Outsourced Operations, Human Resources, Finance, Fundraising and Partnerships, and Communications.

KEY DEVELOPMENTS

2020 may be summarized as the year of managing the challenges brought on by the COVID-19 pandemic and focusing on the health of employees, keeping morale high, and striving to make progress on our mission.

The SB supported the approach of the Ocean team, whereby the underlying theme this year was on quality and progressive learning, rather than speed of implementation. The SB was also closely involved in an elaborate exercise conducted by the MT to design a detailed costing model for the Ocean project. Combining the lessons learned from System 001 (Wilson), System 001/B, and numerous tests of subsystems, this work has led to invaluable conclusions and an alternative design and testing strategy. The SB is mindful of the gap that still exists between the current design phase and a fully functional scaled-up system. Narrowing this gap requires patience and taking iterative steps towards System 002, which is anticipated to bring the

organization significantly closer to a replicable, full-scale, operational solution that can be deployed in the major gyres of the world's oceans. During the design process, the SB remained involved to establish an improved risk-mitigating approach, which is regarded as a key item to manage the learning dynamics of the design and testing process.

For Rivers, the focus in 2020 was execution. During a well-prepared 'deep dive,' the MT invited the SB to assess the status and strategy of Rivers. The SB challenged the MT on the basic and functional design of the Interceptor, the economics, and the operating model. A key observation by the SB was the suggestion to limit the number of Interceptors to a lower target number in 2020. This adaptation would help the team better manage expectations, and focus on successful execution. Critical learnings from a smaller set of deployments would be obtained before moving to the next phase with a more extensive footprint. Permits and logistics are still proving to be significant hurdles that are difficult to control in the process of deploying Interceptors. The SB recognizes the positive and diligent steps taken by the MT to select a global supplier for the production, installation, and maintenance of Interceptors. Further, the SB recognizes that a supplier network will help overcome these difficulties and contribute to successful scale-up of Rivers activities.

During 2020, the SB and the MT worked together to develop a performance dashboard and Key Performance Indicators (KPIs). The objective of this exercise was to create a quantitative approach on goals that link to the mission, thereby allowing teams to continuously have a view on progress, insight, and challenges as projects progress.

The SB applauds the announcement of the production of the first sunglasses made from the plastic catch from the Great Pacific Garbage Patch in 2019. The launch of the valorization product in October 2020 was proof of the ability to go full circle. The fully online announcement hereof was proof of an important step to rid the oceans of plastic and demonstrate the ability to recycle the plastic waste from oceans into durable, useful products and use the proceeds in the interest of future cleanups. In 2020, the SB approved a new salary grid for all staff of The Ocean Cleanup; the MT conducted an elaborate redesign and was fully engaged with the SB during various steps and decisions. To arrive at a conclusion, the SB joined various meetings with relevant third-party consultants and through agreed benchmarks.

The SB has remained well apprised of The Ocean Cleanup's communication and public relations efforts. These are key to managing the brand and reputation of the organization and must consider The Ocean Cleanup's high profile and many international stakeholders. Increasing public understanding and awareness of our work has played a profound role in driving funding and assuring goodwill from corporate and government partners. The SB continues to endorse a candid and transparent approach to communications, sharing our results while placing these in the context of the long and winding path that leads to success.

The MT continues to refine and strengthen its fundraising strategies to prepare for scale-up, execution, and delivery. The SB encourages and assists the MT in addressing the organization's long-term financial needs and makes available a comprehensive network of relevant contacts who can further these goals. The professionalism and dedication of the Communications team continues to play a major role in attracting small donations across online platforms and social media.

The SB continues to endorse the Ocean and Rivers research efforts at The Ocean Cleanup. A deeper understanding of plastic pollution, how it spreads across environments, and affects our planet is essential to developing methods to trace, catch, and recycle it. By the time of this report, a well-researched paper will have been published in Science Advances, describing how 1,000 rivers are responsible for nearly 80% of the plastic pollution—refining earlier views on this subject. More research results can be found at https://theoceancleanup.com/research/.

(RE-) APPOINTMENTS

After an exhaustive search and multiple interviews, we brought on Bert Bruggeman to become Chairman of the SB as of July 24, 2020. Bert replaces Frederik Gerner, who will continue as an SB member. Bert had been following and interacting with The Ocean Cleanup for quite some time. His management experience and technical background in various high-profile positions, such as at Tesla, was indication to us that he is well-positioned to help bring The Ocean Cleanup to the next level. At the same time, we acknowledge and respect Evert Greup in his decision to end his role as

a member of the SB. Evert has been instrumental in the early phases of The Ocean Cleanup, specifically in making his network available for the funding efforts in the early crucial stages. During his five-year term as a member of the SB, Evert may be characterized as dedicated, positively critical, and an enthusiastic believer and ambassador of The Ocean Cleanup mission. We thank Evert for all the work he has done and the contributions he has made. In August, the SB welcomed Jaska de Bakker as a member of the SB. Jaska is the former CFO of FrieslandCampina and Royal HaskoningDHV. She brings invaluable knowledge, experience, and drive to the team. In November 2020, Chris van der Vorm was reappointed as a member of the SB for a second term. The SB will continue in the composition (the undersigned) in 2021, supported by Senior Advisor Feike Sijbesma.

COVID-19

For more than a year, COVID-19 has caused enormous disruptions in societies across the world. The short- and long-term impacts on health, healthcare services, businesses, and the economy remain uncertain at the time of writing this report. The Ocean Cleanup has swiftly adopted measures and guidelines to lower the chance of infection among its employees, asking all of its members to work from home when needed. The impact of COVID-19 continues to be carefully monitored and is a fixed agenda item during formal and informal meetings between the MT and the SB.

AUDIT

The MT prepared this Annual Report for 2020, including the financial statements, and submitted these to the SB. These were adopted and approved on June 28, 2020 by the SB. Ernst & Young (approved by the SB as auditors for the 2020 financials) have audited the financial statements and issued an unqualified opinion, as published in this Annual Report.

CONCLUSION

The SB recognizes that 2020 and the start of 2021 have been extremely challenging for everyone at The Ocean Cleanup. For an organization that rallies on creative and operational interaction, and one with solid international presence and reliance upon the ability to nurture projects on the ground, the pandemic has introduced a substantial challenge to perform and remain motivated. The team has shown that regardless the numerous restrictions resulting from COVID-19, it can keep its eyes on the ball and continue to admirably pursue a mission.

Ridding the world's oceans of plastic is a highly ambitious goal, and The Ocean Cleanup will undoubtedly face more iterations and setbacks on its path to success. Much has been accomplished, yet much remains to be achieved. The Ocean technology is still in the design phase. A time when the team will have to make crucial decisions based on valuable data and experiences gathered thus far. Additional tests will need to be tailored towards specific variables in the process of converging toward a scalable, cost-efficient, and environmentally friendly design. Rivers technology is subject to a period in which implementation and uptime of Interceptors are crucial to accelerating plastic capture. This will involve institutionalizing a governance and management structure, creating a market for Interceptors, introducing a system of checks and balances, and establishing local partnerships for operations and waste management. Within this context, the SB wishes to express its admiration for the team of The Ocean Cleanup.

The SB thoroughly enjoys collaborating with this team and the MT. We feel proud to have contributed toward meaningful goals. We wish to express our profound gratitude to the many advisors, companies, and individuals who continue to support The Ocean Cleanup with pro bono or discounted assistance. Last but not least, we must acknowledge and give thanks to all the volunteers, employees and management, funders, partners, and supporters for their invaluable contributions in time, knowledge, network, or resources to our mission to rid the world's oceans and rivers of plastic.

The Supervisory Board,
Bert Bruggeman
Jaska de Bakker
Frederik Gerner
Chris van der Vorm

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2020

Eur000's	Note	31 December 2020	31 December 2019
Assets			
Fixed assets			
Tangible fixed assets	5	514	630
Financial fixed assets	6	1.458	1.632
		1.972	2.261
Short Term Receivables			
Debtors	7	171	1.284
Other receivables and prepayments	8	647	610
Tax and social security	9	1.482	239
Inventories	10	1.088	-
		3.388	2.133
Cash			
Cash at banks	11	38.344	34.633
		38.344	34.633
Total Assets		43.704	39.027

Liabilities & reserves			
Reserves			
General reserve	12	34.392	30.774
Foreign currency translation reserve	12	-281	30
		34.111	30.804
Short Term Liabilities			
Creditors		1.147	529
Tax and social security	13	178	152
Other liabilities and accrued expenses	14	8.268	7.542
		9.593	8.223
Total Liabilities & Reserves		43.704	39.027

CONSOLIDATED STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2020

Eur000's	Note	2020 Actuals	2020 Budgeted	2019 Actuals
Income				
Donations		13.064	12.100	32.369
Donations in kind		396	-	449
Sales of merchandise		402	2.900	-
Reimbursements and other income		4	-	25
Total Income		13.866	15.000	32.843
Expenses				
Human resources	15	4.416	7.089	6.042
Operational costs	16	4.231	8.104	12.668
General & support costs	17	971	459	924
Depreciation and impairments	18	247	-	364
Financial income and expenses	19	384	88	40
Total Expenses		10.248	15.740	20.039
Result *		3.618	(740)	12.804
Appropriation of result *				
Addition/(Release)				
General reserve	12	3.618	(740)	12.804
Dedicated funds		-	-	-
Result *		3.618	(740)	12.804

* 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 and applying technology to rid the oceans of plastic pollution.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020

Eur000's	2020	2019
Cash flow from operating activities		
Net result	3.618	12.803
Adjustments for:		
Depreciation and impairment	247	364
Receivable from a multi-year promise to give	175	(1.632)
	4.040	11.535
Movements in working capital:		
Short term receivables	(1.255)	241
Short term liabilities	1.369	(1.608)
	114	(1.367)
Net cash generated from operating activities	4.154	10.168
Cash flow from investment activities		
Investments in tangible fixed assets	(132)	(191)
Net cash generated from investment activities	(132)	(191)
Cash flow from financing activities		
Net cash generated from financing activities	-	-
Net cash flows	4.022	9.977
The movement in cash at banks can be summarised as follows:		
Balance as at 1 January	34.633	24.646
Movements during the financial year	4.022	9.977
Effect of exchange rate on cash	(311)	10
Balance as at 31 December	38.344	34.633

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 ('the Foundation') was incorporated on February 15, 2013 and has its registered seat in Rotterdam. The Foundation is registered at the Chamber of Commerce under the number 57262632. Stichting The Ocean Cleanup is a non-profit organization and recognized as an ANBI (Algemene Nut Beogende Instelling) by the Dutch Tax Authorities.

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 plastic pollution of the marine environment;
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.

The Foundation's financial year coincides with the calendar year.

1.2 Consolidation

The consolidated financial information 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 realized 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 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 and is a registered 501(c)(3) non-profit foundation. It obtains funding from the USA and manages the group's onshore operations in the USA.

All consolidated companies are managed by Stichting The Ocean Cleanup's management team.

1.3 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 recognized in the cash flow statement.

2. GENERAL ACCOUNTING POLICIES

2.1 General

The financial statements are drawn up in accordance with Dutch Generally Accepted Accounting Principles - Standard 640 'Nonprofit organizations'.

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. In the current year, the detail of the accounting policy for donations in kind has been elaborated on, however this has not impacted the results of the previous year.

2.3 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 'foreign exchange differences' in Note 19 of the statement of income and expenses.

Assets and 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. Income and expenses of consolidated companies with a functional currency different from the presentation currency are translated at the average rate of exchange during the reporting period. Any resulting exchange differences are taken directly to the foreign currency translation reserve within the equity reserves.

Exchange differences arising on the translation of non-monetary assets and liabilities denominated in foreign currencies that are carried at current value are recognized directly in the revaluation reserves in equity, provided the changes in value of the non-monetary items are likewise recognized directly in equity.

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

3.1 Tangible 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.

The useful life of asset categories are as follows:

- Office and office equipment - 3 years (average).
- IT Equipment average - 3 years (average).
- Project equipment average of 3 years (average).

3.2 Financial fixed assets

3.2.1 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 recognized 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 separately recognized in the statement of income and expenses.

3.2.2 Non-current receivables
Non-current receivables granted to participating interests as well as other receivables granted are recognized initially at fair value plus directly attributable transaction costs, and subsequently stated at amortized cost based on the effective interest method.

3.3 Inventories
Inventories of finished goods (sunglasses) are carried at the cost of acquisition or production or net realizable value, whichever is lower. Prepaid inventories, representing the initial down payment for commencement of manufacturing for the Interceptor are carried at cost of net realizable value currently. See Note 10 for more information.

The costs of raw materials, consumables and goods for resale are calculated based on the first in, first out principle. The cost of acquisition includes the purchase price and the additional costs. The additional costs include the import duties and other taxes, transport and handling costs and other costs that can be directly attributed to the acquisition of the raw materials and consumables and the finished goods. The costs of finished goods represent the cost of raw materials used and direct production costs.

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

3.5 General reserves and dedicated funds
The donations received are expected to cover future costs. Donations are deemed to have a dedicated benefit, when they are donated and earmarked 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.

3.6 Current liabilities
On initial recognition current liabilities are recognized at fair value. After initial recognition current liabilities are recognized at amortized cost, being the amount received, taking into account premiums or discounts, less transaction costs.

4. PRINCIPLES FOR THE DETERMINATION OF THE RESULT

4.1 General
Income and expenses are accounted for on accrual basis.

4.2 Income
4.2.1 Donations
The income in the statement of income and expenses are the donations from individuals and organizations. Income is only included when realized on the balance sheet date. For donations this is deemed to be the case either when a binding grant agreement is signed or when cash equivalents have been received.

Grants with a pay-back obligation are recognized as income in the same reporting period in which the subsidized eligible expense is recognized.

Donations in kind are recognized as income and expense in the period they are received, to the extent that the fair value of the donation can be reasonably determined through market rates and quotes. If the fair value cannot be reasonably determined and if the goods & services deviate from the quantity or specification that would have been reasonably obtained in case of no donation in kind, then neither an income nor an expense is recognized.

During the 2020 financial period we received pro-bono support from professional advisory and consultancy firms, free technical consulting and technical support from companies in the offshore and engineering industries, software and software support at reduced rates and free (executive) staff recruitment services. Where the true value could not be reasonably determined or the goods and services deviated from the quantity or specification that would have been reasonably obtained in case of no donation in kind, neither an income or an expense has

been recognized for this in kind support.

Other relationships, such as collaborative partnerships which cannot be quantitatively estimated have been disclosed as part of the annual report for 2020. This is consistent with our disclosure of academic partners who collaborate with the Foundation on joint research, as it is often difficult to quantitatively estimate the donation in-kind aspect of joint arrangements.

4.2.2 Sale of goods

Income from the sale of goods is recognized in the income statement once all the major rights to economic benefits and significant risks relating to the goods have been transferred to the buyer, the income can be reliably measured and the income is probable to be received. Sale of sunglasses have been presented as net of gross sales and costs of goods sold.

4.2.3 Government grants

Government grants related to income are recognized in the income statement in the year in which the subsidized expenditure is incurred, in which the reduction of income is recognized or in which the operating loss is incurred for which the grant was received.

The compensation for wage costs under the NOW scheme is a government grant related to income. The above accounting policy applies to this. Government grants related to income are recognized as soon as there is reasonable certainty that the legal entity complies with the conditions set and will actually receive the grant. The compensation for wage costs under the NOW scheme is recognized as a deduction of the related wage costs in under 'Gross salaries' in Note 15.

4.3 Human resources

Employee benefits are charged to the statement of income and expenses in the period in which the employee services are rendered and, to the extent not already paid, as a liability on the balance sheet. The Foundation does not have a pension scheme for its employees.

4.4 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.

4.5 Research and development expenses

Costs incurred for research are expensed in the period that they are incurred. Costs related to development of technology are capitalized only after technical and commercial feasibility of the asset for sale or use have been established. If development costs do not meet this criteria, the costs are expensed in the period that they are incurred. In the current financial year, the Oceans team incurred €2.6M on activities in relation to research and development, whilst the Rivers team incurred €1.3M. No development costs were capitalized as an asset.

4.6 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 recognized in the statement of income and expenses in the period that they are realized.

4.7 Income taxes and value added taxes fiscal unity

Stichting The Ocean Cleanup is exempt from Dutch income tax due to its status as an ANBI (Algemene Nut Beogende Instelling). Stichting The Ocean Cleanup's subsidiary companies form a fiscal unity for income tax purposes, which has The Ocean Cleanup Technologies B.V. as the head of the fiscal unity. Stichting The Ocean Cleanup is the head of its fiscal unity for value added taxes, which includes its subsidiary companies which are based in The Netherlands.

In light of our organization's expected growth and development into more complex activities, we have reached out directly to the Tax and Customs Administration (Belastingdienst) with our tax specialists, Deloitte to transparently discuss our fiscal unity in future years. We have presented a statement of our current tax position, but have not received a definitive conclusion yet on whether there will be any changes going forward. We, along with our use of experts, believe that the current risk of tax liability is low and our position is reasonable and supported. We will continue to monitor our fiscal unity and engage with the Tax and Customs Administration in 2021.

4.8 Subsequent events

Events that provide further information on the actual situation at the balance sheet date and that appear before the financial statements are prepared, are recognized in the financial statements.

Events that provide no information on the actual situation at the balance sheet date are not recognized in the financial statements. When those events are relevant for the economic decisions of users of the financial statements, the nature and the estimated financial effects of the events are disclosed in the financial statements.

4.9 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.

The budget for 2020 was approved by the Supervisory Board on 22 November 2019 with projected income of € 17.6M and projected costs of € 19.7M. With the onset of the COVID-19 pandemic, the Foundation undertook a review of the approved budget for 2020 to take into account the anticipated changes and delays with our planned operational activities; this led to the lowering our projected income to of € 15M and projected costs of € 15.8M, approved by the Supervisory Board on the 28 May 2020.

When comparing the revised budget to the performance in 2020, we note that:

- income was € 1.1M less than anticipated in the budget; it was expected that we would sell out on the sunglasses as part of the 'Full Circle' campaign. This was not the case and the sunglasses will continue to be sold during 2021.
- costs came in € 5.5M lower than expected as our operations which were planned for in 2020 were further delayed even after our initial review of the budget; these activities have now been planned to be undertaken in 2021.
- Furthermore, the Foundation was entitled to € 2.2M in 'Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud (NOW)' wage subsidies from the Dutch Government. The NOW support was granted for the periods March to May (NOW 1 €0.9M), June to September (NOW 2 €0.8M) and October to December 2020 (NOW 3.1 €0.5M).

It is noted in for the 2020 budget, donations in kind are not able to be predicted accurately and therefore there is no comparison available against the actual donations in kind received in 2020.

4.10. Going concern

The financial statements have been prepared on the going concern basis.

NOTES TO THE CONSOLIDATED BALANCE SHEET

Eur000's			2020		2019
5 - Tangible fixed assets					
Opening balance			629		802
Investments in fixed assets during the year	Office and Facilities	86		66	
	Project Equipment	46		123	
Total investments in fixed assets			132		191
Impairment in fixed assets during the year	Office and Facilities	-		-	
	Project Equipment	(11)		(86)	
Total impairment in fixed assets			(11)		(86)
Depreciation charge for the year	Office and Facilities	(21)		(203)	
	Project Equipment	(215)		(75)	
Total depreciation charge			(236)		(278)
Closing balance			514		629
Purchase value	Office and Facilities	693		607	
	Project Equipment	946		911	
Purchase value of tangible fixed assets			1.639		1.518
Accumulated depreciation	Office and Facilities	(588)		(567)	
	Project Equipment	(537)		(322)	
Total accumulated depreciation			(1.125)		(889)
Closing Balance			514		629

Tangible fixed assets are depreciated over their estimated useful life. Office and facilities consists of IT equipment, office improvements and furniture. Project equipment consists of equipment that can be used in research expeditions as well for future assembly of systems.
The average useful life of tangible fixed assets is 3 - 5 years.

6 - Financial fixed assets			
Receivable from multi-year promise to give	1.566	1.782	
Discount on receivable	(107)	(150)	
	1.458		1.632

An unconditional promise to give from a donor expected to be collected in greater than one year is reported at fair value, and discounted using present value techniques incorporating risk-adjusted discount rate of 2%. The unconditional promise was granted in 2019, to be received for the next 10 years.

7 - Debtors			
Receivable from debtors	172	1.284	
	172		1.284

All debtors originated in 2020 and are expected to be settled within 6 months of year end. No provision for doubtful debts has been raised at the end of 2020 or in previous years.

Eur000's		2020		2019
8 - Other receivables and prepayments				
Prepayments and other receivables	647		447	
		647		447

The other receivables include promises to give that are receivable in less than one year which have not been discounted.

9 - Tax and social security				
Value Added Tax	212		239	
Research and development tax credit receivable	404		163	
Wage subsidy (NOW)	865		-	
		1.482		402

The research and development tax credit (WBSO) of € 404.000 (2019: €162.000) is provided by the Rijksdienst voor Ondernemend Nederland (RVO) and provides entities with an incentive to invest in research. Due to the COVID-19 pandemic, a wage subsidy known as Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud (NOW) was also provided by the government, with a total of € 865.000 to be received for the 2020 year. Please refer to Note 4.2.3 for more information on accoutning treatment of government grants.

10 - Inventories				
Prepaid inventory - Interceptors	640		-	
Finished goods - Sunglasses	448		-	
		1.088		-

As part of our 'Full Circle' campaign launched in October 2020, there is currently inventory held for sunglasses produced that continue to be sold in 2021.

The Foundation has also partnered with Konecranes in 2020 to series produce Interceptors in order to prepare for the global Interceptor scale-up, with the intent to sell the Interceptors going forward. The new design updates to the Interceptor improve efficiency for operations and mass production. € 640.000 has been prepaid to start the manufacture of three Interceptors needed for 2021 plans.

11 - Cash & cash equivalents				
EUR denominated cash	30.761		32.694	
USD denominated cash	7.582		1.939	
		38.344		34.633

Cash is at the Foundation's free disposal and is held at ABN AMRO Bank and ING in Euros and US Dollars in the Netherlands. Cash held in US Dollars by The Ocean Cleanup North Pacific Foundation is held at First Republic Bank, United States.

Eur000's		2020		2019
12 - General reserve				
Opening balance	30.774		17.970	
Donations received	13.866		32.843	
Used for general projects	(10.248)		(20.039)	
		34.392		30.774

The general reserve is formed from the surplus of donations received in comparison to expenditure in general projects, defined as projects which support the Foundation's mission. The general reserve can be used freely in pursuit of the Foundations' mission.

The foreign currency translation reserves is used to recognise exchange differences arising from translation of the financial statements of foreign operations, The Ocean Cleanup North Pacific Foundation, to Euros, the presentation and functional currency for the Foundation. The negative reserve in 2020 represents an unrealised gain from the currency translation of US Dollars to Euros.

13 - Tax and social security				
Social security payable	178		152	
		178		152

14 - Other liabilities and accrued expenses				
Personnel liabilities	218		182	
Accrued expenses	526		361	
Other payable	7.524		7.000	
		8.268		7.542

Personnel liabilities relate to the 8% holiday allowance which accrues to employees and is paid out in May 2021.

The other payables balance consists of reserved donation of € 7 million that is conditional upon our agreement to apply extraction technology in Central America on a pay-for-performance basis. Remaining 500K also represents deferred donations for projects commencing in 2021.

15 - Human resources				
Gross salaries	2.244		3.591	
Social security expenses	318		392	
Staff costs - external contractors	1.639		1.689	
Other HR costs	215		370	
		4.416		6.042

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

During 2020, the Foundation and its subsidiaries employed on average 92 full time equivalents (2019: 81 full time equivalents). The Foundation and its subsidiaries does not contribute to a pension plan on behalf of its employees. A research and development tax credit (WBSO) of € 404, 000 (2019: 162,000) is included in the social security expenses. This credit is provided by the Rijksdienst voor Ondernemend Nederland (RVO) and provides entities with an incentive to invest in research. A wage subsidy, known as Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud (NOW) was also provided by the government and this credit of € 2.2M is included in gross salaries. See Note 4.2.3 for more information on the accounting treatment of government grants.

Eur000's	2020	2019
16 - Operational costs		
Transport and storage	327	518
Outsourced work	2.264	4.042
Charter of vessels and staff	437	4.444
Facilities, equipment and tools	99	346
Procured materials and system components	160	1.378
Public relations	657	1.169
Travel and accomodation	287	771
	4.231	12.668

Operational costs decreased to EUR 4.231.000 in 2020 (2019: 12.668.000) due impact of COVID-19, delaying and restricting our operational activities during 2020 year. The operational costs that have been incurred have been performed in preparation of activities planned for 2021, such as ongoing research and development and testing of prototypes. Outsourced work is a significant cost category as the Foundation engages skilled partners for design work, engineering and testing, recycling, manufacturing and collaborative research projects which support the Foundation's mission.

17 - General & support costs		
Housing	303	259
IT	298	186
Insurance, health and safety	86	153
Consultancy fees	134	157
General and adminstration costs	150	170
	971	925

18 - Depreciation and impairments		
Office and facilities	21	203
Project equipment	215	75
Disposal of project equipment	11	86
	247	364

19 - Financial income and expenses

STICHTING THE OCEAN CLEANUP
BALANCE SHEET
AS AT 31 DECEMBER 2020

Eur000's	Notes	2020	2019
ASSETS			
Fixed Assets			
Tangible fixed assets	21	92	85
Financial fixed assets	22	1.962	2.448
		2.054	2.533
Short Term Receivables			
Receivables from group companies	23	23.337	14
Debtors	24	122	1.117
Other receivables and prepayments	25	308	134
Tax and social security	26	48	97
		23.815	1.362
Cash			
Cash at banks	27	9.536	31.183
		9.536	31.183
Total Assets		35.405	35.078
Reserves			
General reserve	28	28.292	27.876
		28.292	27.876
Short Term Liabilities			
Creditors		71	59
Tax and social security	29	18	18
Other liabilities and accrued expenses	30	7.024	7.126
		7.113	7.203
Total Liabilities		35.405	35.078

STICHTING THE OCEAN CLEANUP
STATEMENT OF INCOME AND EXPENSES
AS AT 31 DECEMBER 2020

Eur000's	Note	2020	2019
Income			
Share of result of participations	31	(7.752)	(17.338)
Income from operations		8.168	27.676
Result		416	10.337
Appropriation of result			
Addition/(Release)			
General reserve		416	10.337
Dedicated funds		-	-
Result *		416	10.337

* 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 and applying technology to rid the oceans of plastic pollution.

NOTES TO COMPANY BALANCE SHEET AND STATEMENT OF INCOME AND EXPENSES

20. GENERAL NOTES

20.1 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 3.2.1 to the consolidated financial statements.

In accordance with Titel 9 Boek 2 BW article 2:402, the statement of income and expenses of the Foundation separately discloses the Foundation's income from operations and the share of result of its participations.

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 COMPANY BALANCE SHEET AND STATEMENT OF INCOME AND EXPENSES

Eur000's			2020		2019
21 - Tangible fixed assets					
Opening balance			83		2
Investments in fixed assets during the year	Office and Facilities	40		93	
Total investments in fixed assets			40		93
Depreciation charge for the year	Office and Facilities	(31)		(11)	
Total depreciation charge			(31)		(11)
Closing balance			92		83
Purchase value	Office and Facilities	216		176	
Purchase value of tangible fixed assets			216		176
Accumulated depreciation	Office and Facilities	(124)		(93)	
Total accumulated depreciation			(124)		(93)
Closing Balance			92		83

Tangible fixed assets are depreciated over their estimated useful life. Office and facilities consists of IT and camera equipment, office improvements and furniture. The average useful life of tangible fixed assets is 3 years.

22 - Financial fixed assets

The financial fixed assets balance relates to the interest the Foundation holds in 100% of The Ocean Cleanup Technologies B.V.'s share capital. Movements in the financial fixed assets balance can be specified as follows:

Opening balance	2.448	(398)
Result from participations	(7.736)	(17.338)
Share premium contribution	7.250	20.184
Closing Balance	1.962	2.448

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

Name, registered office	Share in capital as %	2020 Closing balance
Fully consolidated		
The Ocean Cleanup Technologies B.V., the Netherlands	100	1.962
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 held directly by The Ocean Cleanup Technologies B.V.

Eur000's		2020		2019
23 - Current account group companies				
The Ocean Cleanup Technologies B.V. - Consolidated	23.506		–	
The Ocean Cleanup North Pacific Foundation	(169)		14	
		23.337		14

In 2020, the Foundation provided cash to The Ocean Cleanup Technologies B.V., and the subsidiaries that comprise the fiscal unity for the purpose of mitigating the impact of the negative interest rate policy set by the European Central Bank (ECB). These funds are held as cash and cash equivalents at ABN AMRO Bank and ING in the respective entities.

24 - Debtors				
Receivable from donors	122		1.117	
		122		1.117

All debtors originated in 2020 and are expected to be settled within 6 months of year end. No provision for doubtful debts has been raised.

25 - Other receivables and prepayments				
Prepayments and other receivables	308		134	
		308		134

26 - Tax and social security				
Value added tax	(36)		97	
Wage subsidy (NOW)	84		–	
		48		97

Due to the COVID-19 pandemic, a wage subsidy known as Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud (NOW) was also provided by the government, with a total of € 56.000 to be received for the 2020 year.

27 - Cash at bank				
EUR denominated cash	7.625		30.376	
USD denominated cash	1.911		807	
		9.536		31.183

Cash is at the Foundation's free disposal and is held at ABN AMRO Bank and ING in Euros and US Dollars in the Netherlands. See Note 23 for information on the decrease in cash held by the Foundation in 2020.

Eur000's		2020		2019
28 - General reserve				
Opening balance	27.876		17.537	
Donations received	10.059		30.265	
Used for general projects	(9.643)		(19.926)	
		28.292		27.876

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

The general reserve as at 31 December 2020 and result for the year ended 31 December 2020 in the consolidated and company financial statements can be reconciled as follows:

	General reserve 2019	Results 2019
Company financial statements	28.292	416
The Ocean Cleanup North Pacific Foundation	5.819	3.259
Consolidated financial statements	34.111	3.675

29 - Tax and social security				
Social security payable	18		18	
		18		18

30 - Other liabilities				
Accrued liabilities	(3)		126	
Current account group companies	27		-	
Other payables	7.000		7.000	
		7.024		7.126

The other payables balance consists of a reserved donation of €7 million that is conditional upon our agreement to apply extraction technology in Central America on a pay-for-performance basis.

31 - Share of result of participations				
The Ocean Cleanup Technologies B.V. - Consolidated net loss	7.752		17.338	
		7.752		17.338

Independent auditor's report

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

Report on the audit of the financial statements 2020 included in the annual report

Our opinion

We have audited the financial statements 2020 of Stichting The Ocean Cleanup based in Rotterdam, the Netherlands.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of Stichting The Ocean Cleanup as at 31 December 2020 and of its result for 2020 in accordance with the "RJ-Richtlijn 640 Organisaties zonder winststreven" (Guideline for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board).

The financial statements comprise:

- The consolidated and company balance sheet as at 31 December 2020
- The consolidated and company statement of income and expenses for 2020, and
- 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.

Report on 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 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.

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 of 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.

The management board is responsible for the preparation of the other information, including the Management report in accordance with "RJ-Richtlijn 640 Organisaties zonder winststreven" (Guideline for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board.

Description of responsibilities for the financial statements

Responsibilities of the management board for the financial statements

The management board is responsible for the preparation and fair presentation of the financial statements in accordance with the "RJ-Richtlijn 640 Organisaties zonder winststreven" (Guideline for annual reporting 640 "Not-for-profit organizations" of the Dutch Accounting Standards Board). Furthermore, the management board is responsible for such internal control as the management board 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, the management board is responsible for assessing the foundation's ability to continue as a going concern. Based on the financial reporting framework mentioned, the management board should prepare the financial statements using the going concern basis of accounting unless the management board either intends to liquidate the foundation or to cease operations, or has no realistic alternative but to do so. The management board 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.

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 have detected all material errors and fraud.

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 judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included among others:

- 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 the management board
- Concluding on the appropriateness of the management board'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
- 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.

We communicate with the management board and 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.

Amsterdam, 28 June 2021

Ernst & Young Accountants LLP

signed by R.J. Bleijs

For the creation of this annual report, we also extend thanks to those who helped produce its content. Images used in this report are credited to Florent Beauverd, Dan van der Kooy, Valentina, Marinelic, Anis Adnan, Toby Harriman, Alina Pettersen, and Coen van Tartwijk. Graphic design work is thanks to the team at Grrr Creative Digital Agency. Writing and editing kudos to Rachel Richardson and Martha Blanchfield.

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