ANNUAL REPORT 2021

THE OCEAN CLEANUP®

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WELCOME

Despite the ongoing challenges posed by the COVID-19 pandemic, in 2021 The Ocean Cleanup continued to make strides toward achieving our mission: to develop and scale technologies to rid the world's oceans of plastic. Our hard work during the year paid off, yielding strong progress across our Rivers projects and resulting in the long-awaited proof of technology for our Oceans cleanup system.

This was a major achievement, and one we celebrated as our System 002 crew returned to shore from the Great Pacific Garbage Patch in October, having safely and repeatedly harvested ocean plastic from this vast gyre. Although we still have improvements and adjustments to make – as well as plenty to learn from our research and ongoing campaigns in the North Pacific – we are now ready to begin scaling up to the much bigger and more efficient System 03.

Progress in our Rivers activities remained steady. In 2021, we installed two new Interceptors in Malaysia and Vietnam and began trials of a new Interceptor solution in three stormwater gullies in Jamaica (taking the total number of operational systems to eight). We also laid the groundwork for deploying four more Interceptors in Guatemala, the USA, Indonesia, and Thailand. Excitingly, 2021 was also the year when we announced a global partnership with The Coca-Cola Company for a total of 15 Interceptor deployments in various locations, which will allow us to move faster and further in capturing trash from rivers before it ever reaches

the ocean. This was one of several important partnership agreements secured during the year, joining those with, for example, Coldplay, PADI and the founders of YouTube's #TeamSeas campaign. We also took steps to strengthen our important partnership with Maersk early in the year.

We continued to sell our proof-of-concept sunglasses, made using the haul of plastic we caught in 2019, throughout 2021. Ultimately, The Ocean Cleanup is not a commercial organization, so, based on our learnings from this experience, we have decided in future to leverage the expertise of partners when it comes to turning our trash into treasure. Throughout the year, our Catch Management team explored options for repurposing the increasingly large quantities of plastic we extract and converting it into valuable, durable products that will not end up back in the water.

As we carried out our work on the ground, we also continued to build on our position of authority within the plastic science community. In 2021, we gathered more data, conducted more analysis, and shared more findings, including a landmark paper providing the most comprehensive view to date of riverine plastic emissions. We took care to use what we learned to iteratively improve our technology and operations, making them safer and more efficient. As we establish the design for our future fleet of ocean systems and deploy more Interceptor Solutions, this approach – continuously growing our understanding and then acting to maximize our positive impact – will guide our work and give us the best possible chance of realizing our mission.

This annual report details The Ocean Cleanup's activities in 2021 and the progress we made toward our goals. As ever, and as described in this report, the steps we undertook as an organization during the year were made possible thanks to the support of our many partners, including the donors of all shapes and sizes who support our work from all around the world.

MISSION AND PLANS

The Ocean Cleanup develops and scales 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 tons per year. Most of this pollution washes back onto shore, while some sinks to the seabed near the coast. The buoyant plastics and debris that remain in the ocean are often carried by a combination of wind and currents to one of five accumulation zones. These are formed by ocean gyres: vast, circulating currents in the subtropical zones of our oceans that trap debris in their vortexes. The largest gyre is the site of the Great Pacific Garbage Patch (GPGP), located midway between Hawaii and California.

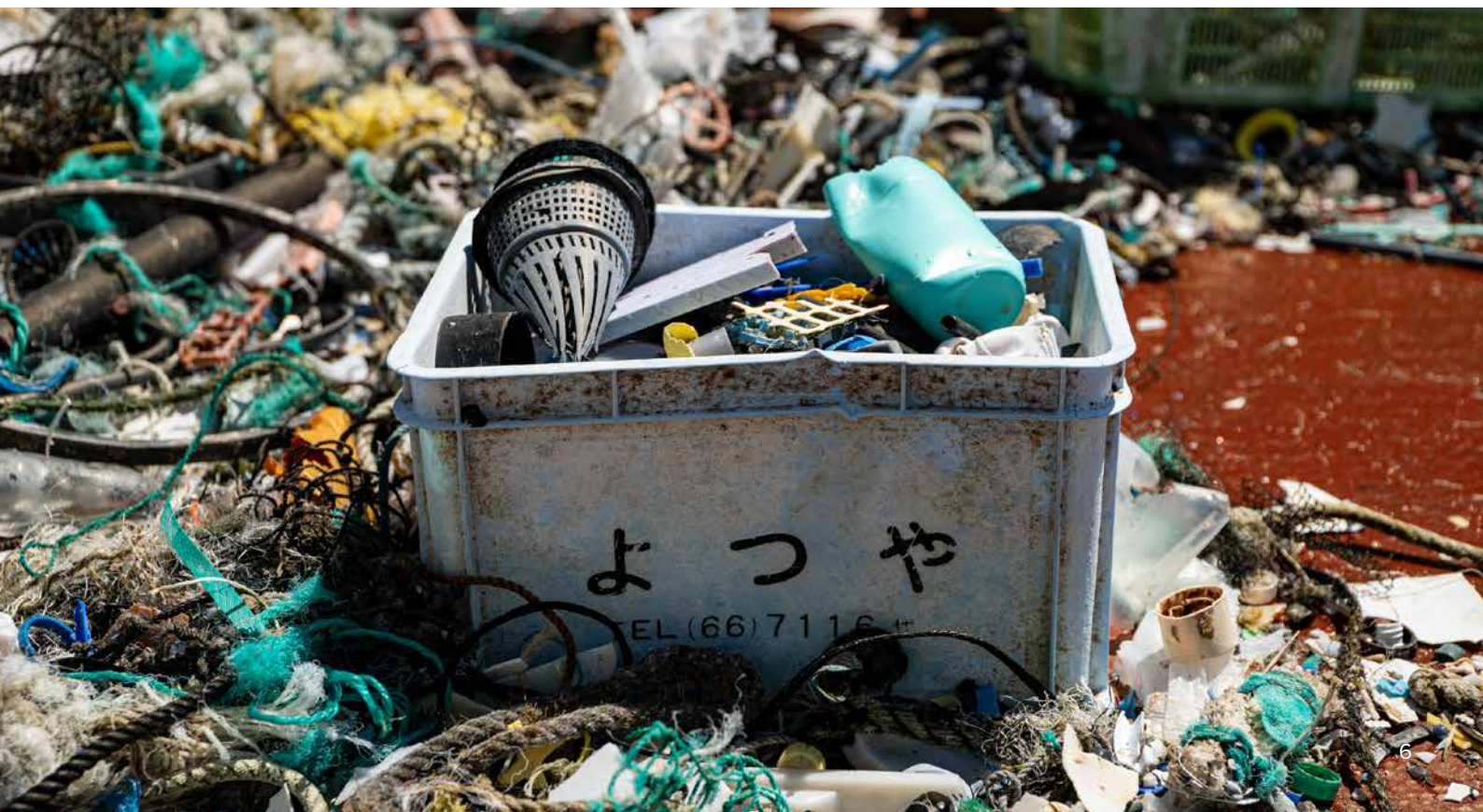
Once caught in these accumulation zones, plastic can no longer escape, and the longer it remains, the more hazardous it becomes. As a patch accumulates more plastic and increases exponentially in volume day by day, it poses ever greater entanglement and/or choking risks to marine life. In addition, when 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 trapped in 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 show that about 700 species (117 of which are considered endangered) have interacted with marine debris during their lifetime. Of these interactions, 92% are with plastic. Every plastic piece, from large items to small microplastics, can have detrimental effects on species. Currently, 92% of the floating plastic mass in the GPGP consists of larger objects (> 5 mm in diameter), yet microplastic (< 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 endanger marine life. Animals may mistake these small plastic pieces for food and, if consumed, the plastic will leave the creature feeling satiated without having acquired any actual nutrients. This can 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 this toxicity up the food chain, until it eventually ends up in human diets .

What is more, according to a study conducted by Deloitte and The Ocean Cleanup, yearly economic costs resulting from marine plastic are estimated at $9–16 billion globally. These costs impact tourism, fisheries, and aquaculture, as well as coastal cleanups; this tally does not include the impact on human health and the marine ecosystem (due to a lack of sufficient data).

Plastic pollution is one of the biggest challenges facing humanity today. It is complex and multifaceted, requiring a range of solutions both big and small. 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 the continuous flow of plastic entering the oceans via the world's rivers.



OUR SOLUTIONS: THE OCEAN CLEANUP TECHNOLOGY

OCEANS

Our cleanup solution is designed to concentrate plastic debris (which is naturally widely dispersed across the GPGP) so we can more effectively collect and remove it in vast quantities. We do this by maintaining a relative speed difference between the cleanup system and the plastic, thereby creating an artificial coastline with our U-shaped barrier. This guides the trash into a retention zone that is emptied on deck when full.

Following years of scale model tests, design work, and prototyping, we launched our first ocean cleanup system in 2018: System 001, designed around a passive propulsion concept. This initial iteration brought valuable insights and learnings, but was unable to effectively retain plastic. Using knowledge from this first deployment, we initiated development on System 001/B, with which we were able to capture plastic, but which was not yet ready to be scaled to a fleet capable of cleaning up the ocean garbage patches.

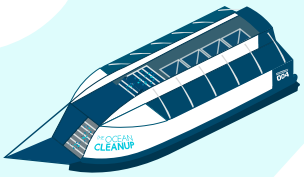
At the end of the System 001/B trial period in 2019, we began iterative work on the next steps of our path: the design and development of System 002, marking a transition from passive to active propulsion. System 002 was intended as a pilot-scale system capable of proving that our technology can not only successfully capture and retain floating plastic, but is effective enough to be scaled to a fleet capable of cleaning up the GPGP. In 2021, we worked hard to solve this complex challenge. As ever, we continued to question our ideas and assumptions and to take on board what we learned from each new iteration.

RIVERS

We also aim to capture plastic in rivers before it reaches the oceans. To do this, we have developed a family of Interceptor Solutions to catch plastic in rivers – the pathways of plastic to the oceans. Our leading technology in this toolkit is the Interceptor Original. A solar-powered solution with smart processing, connectivity, and performance tracking, the Interceptor Original is an autonomous technology with a large cleaning capacity. Designed for series production, it is our go-to solution whenever we undertake a new feasibility evaluation. Nevertheless, all rivers are different, and we recognize that some environments demand a different response. We have therefore added the Interceptor Barrier and Interceptor Tender solutions, which work in tandem, to our portfolio (see ‘Project progress in 2021’ for more information).

In 2021, we continued to explore opportunities to expand Interceptor operations in the 1,000 most polluting rivers around the globe. We installed two Interceptor Originals during the year: one each in Malaysia (the first example of our third-generation design) and Vietnam. We also initiated three trials of our new Interceptor Barrier and Interceptor Tender approach in Jamaica. Future interventions include sites in the USA, Guatemala, and Thailand.

HIGHLIGHTS OF 2021



OCEANS

4 TRIPS IN 2021 WITH SYSTEM 002

- 7.899KG
- 20.144KG
- 5.151KG
- 4.714KG

TOTAL: **37.908KG***

RIVERS

INTERCEPTOR™ SOLUTIONS

001+002+003+004 +005+GUATEMALA

COLLECTED **819.480*** KG

- 003 COMING INTO ACTION IN **CAN THO, VIETNAM**
- 005 COMING INTO ACTION IN **KLANG RIVER, MALAYSIA**
- 007 DELIVERED FOR SHIPMENT TO **LA COUNTY**

TESTING

- **DEPLOYMENT/RECOVERY**
  11 DURING THE CAMPAIGN
- **EXTRACTION**
  (INCLUDING DENSITY CHECKS)
  9 (ONE WAS A RECOVERY FOR REPAIR)
- **TURNING TESTS**
  6 LOGGED (MANY IN PRACTICE)
- **DAY AND NIGHT ENVIRONMENTAL SAMPLING**
  1 AT DAY AND **1** AT NIGHT, TO CHECK SYSTEM'S IMPACT
- **TOWING WITH ONE VESSEL**
  4, TO CHECK EMERGENCY TOWING
- **ENVIRONMENTAL SAMPLING**
  34 ENVIRONMENTAL, **36** BONGO, **24** PLANKTON SAMPLING
- **PLASTIC TRANSPORT TESTS**
  2X3 TIMES TESTS WITH TAGGED PLASTICS
- **OPTIMUM TOWING SPEED TESTS**
  1 OTS AT **0,75M/S**
- **TOW TESTS**
  13 IN VARIOUS CONDITIONS
- **RESEARCH MANTA TRAWL SAMPLING**
  42 MANTA TRAWLS (**14** RESEARCH STATIONS)
- **ASSYMETRY TESTS**
  2, TO CHECK LOADS DURING WIGGLE
- TOTAL TESTS DURING TRIP 1 & 2: **40 TESTS**

TRASH TO **TREASURE**

94%

OF SUNGLASSES CLAIMED BY SUPPORTERS BY 31ST DEC 2021.

INTRODUCED THE PMO/PROGRAM PLATFORM TO DELIVER ON THE TCCC PARTNERSHIP.

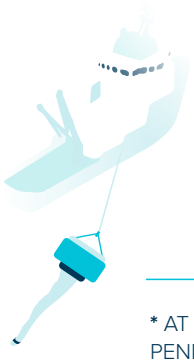
124

CREW MEMBERS

50% FEMALE | **50%** MALE REPRESENTING **29 DIFFERENT NATIONS.**

13M.

TEAMSEAS RAISED 13M USD FOR THE OCEAN CLEANUP BETWEEN 29 OCTOBER AND 31 DECEMBER 2021.



203

SAMPLING STATIONS

TOTAL AMOUNT OF ENVIRONMENTAL SAMPLING DURING TRIP 1 – 4

PRIMARY BY-CATCH: **141kg(0,38%)**

* AT THE TIME OF PUBLICATION, THESE CATCH NUMBERS WERE PENDING EXTERNAL INDEPENDENT VERIFICATION.

PROJECT PROGRESS IN 2021

As The Ocean Cleanup matures, so do our processes and project timelines. By setting clear benchmarks for progress, we enable our Funding team to align support with project needs. The five project development phases of our technology 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:** In this phase, we confirm that the technology is fully functional and that we have established valid operating and business models around deployments to be scaled up.
- **Scale-up:** During this phase, we begin rolling out proven solutions. This includes the corresponding operating and business models needed for the number of deployments.
- **Stability:** The final phase entails the continued outsourcing of operations (including maintenance and fine-tuning) to implemented systems, until cleanup is complete.

By the end of 2021, our Oceans technology had joined our Rivers projects in the third phase, Validation.

RESEARCH

Scientific research has always been the foundation of our work at The Ocean Cleanup. To accomplish our mission, we must first understand the problem, before acting iteratively to grow our positive impact. We are proud to be part of, and recognized by, a global scientific community that is working to understand the problem of ocean plastic pollution and develop solutions. We target new discoveries related to this important environmental issue, seek out partnerships with academic institutions, publish our peer-reviewed research in leading scientific outlets, and participate in conferences and panels around the world (see 'Engaging with the scientific community' for more information). In 2021, we were invited to present our work at the launch of the United Nations (UN) Ocean Decade, a global effort to unlock innovative ocean science solutions. We also continued our research in support of our Rivers and Oceans activities.

THE SCALE AND SPREAD OF RIVER POLLUTION

Riverine emissions of plastic are the primary source of the plastic pollution found in ocean garbage patches. Back in 2017, The Ocean Cleanup published the first global map of riverine plastic sources. Six months later, a paper by other researchers suggested that ten major rivers were responsible for 90% of ocean plastic pollution. Since that time, we have worked together on a numerical modeling study that indicates that, globally, 1,000 rivers (many small or medium-sized) account for nearly 80% of the debris floating in our oceans. The study, published in Science Advances in April 2021, is based on a much larger dataset and a better modeling framework than any prior research, taking into account the distance plastic must travel from the pollution source to the river and then to the river mouth. Our findings show a wide range of contributing factors, including topography, local land use, and plastic waste management.

While these 1,000 rivers represent just 1% of the global total, the fact that a significantly greater number of rivers contribute to ocean garbage patches than previously thought has important implications for The Ocean Cleanup's Rivers projects. Rather than concentrating on a small number of major culprits, we need to expand our efforts across many more, halting the inflow of new plastic into the oceans. The data from our research and activities are proving critical in guiding our interventions: by modeling plastic emission levels in potential river targets, we can identify key locations for deploying our Interceptor solutions to ensure they have the greatest possible impact.

Now that we have a better sense of the geographic mapping of the rivers we need to target, we will refine our understanding of the picture in 2022 by further improving our modeling framework and taking into account temporal variations in riverine emissions. Specifically, we will work with academic and local partners to study the transport of plastic in three rivers: the Ozama in the Dominican Republic, the Umgeni in South Africa, and the Chao Phraya in Thailand. Our aim is to understand the physical processes that carry plastic first to a river and then out into the ocean.

REMOTE SENSING PROVES A SUCCESS

A second focus area for the Research team is the remote sensing of plastic using our automated debris imaging system (ADIS). By installing time-lapse cameras on vessels – such as the Maersk vessels used in the System 002 campaign – we can measure the amount of floating plastic we encounter. Thanks to our artificial intelligence algorithm, this process was successfully automated in 2021, and we announced proof of concept for this approach. As The Ocean Cleanup's operations are scaled up, remote sensing will likely be key to increasing the efficiency of our Oceans solution. ADIS has the potential not only to support our progression toward integrated monitoring of ocean plastic but also to enable us to better identify – and, crucially, respond to – trends over time. Cameras have already been installed by some of our partners and citizen scientists in the North Pacific, Atlantic, and Southern Indian oceans, and our focus in 2022 is on finding 'hotspots' where plastic is especially concentrated even within a wider garbage patch.

INSIGHTS INTO NEUSTON

In our work to rid the world's oceans of plastic, we have a responsibility to protect marine life, given that a central part of our goal is to create healthier oceans for the species within them. Of particular interest is a group of species collectively known as neuston, which live at the ocean surface and are sometimes found among plastic debris in the gyres. Relatively little is known about concentrations of these species in the Great Pacific Garbage Patch (GPGP), and there have been concerns that our cleanup system would result in significant levels of neuston bycatch along with the plastic. Throughout our campaigns in the North Pacific, we have systematically investigated the distribution of neustonic organisms and their interactions with ocean plastic. This research culminated in the publication of a peer-reviewed study, in Frontiers in Marine Science in June 2021, that points to a nonlinear relationship between floating plastic and neuston in the GPGP.

This marked the first explorative step, forming an observational baseline for future research on neuston concentrations in our area of operations, albeit with a continuing need for additional data to improve our understanding of neuston species, lifecycles, and seasonal variation. In 2022, we will continue to closely monitor and study the interactions between our technology and the marine environment, comparing the net impact of plastic waste on ocean ecosystems to that of our offshore cleanup efforts, and ensuring that we progress responsibly.

OCEANS

SUCCESS WITH SYSTEM 002

Our Oceans team began the year by processing the results of 2020's North Sea testing of the System 002 concept. From our learnings, we identified three key workstreams to tackle ahead of our planned campaign in the GPGP: (i) creating an improved retention system (ii) preparing our environmental risk management (in collaboration with CSA Ocean Sciences), and (iii) enhancing the electronics and instrumentation needed to monitor our systems and gather the data we need.

With this work ongoing, we intensified our preparations for the mission with our key partner Maersk, which has provided The Ocean Cleanup with maritime services since 2018. Thanks to Maersk's expertise, assets, and capabilities, we were able to continue conducting our offshore campaigns safely and effectively in 2021. In line with the terms of the agreement signed in 2020 (which lasts until 2023), The Ocean Cleanup welcomed a second in-house Maersk employee to the office, adding further support to Maersk's all-important logistics and project management assistance. Having completed the necessary risk assessments, procedure writing, and offshore engineering, we were ready for the GPGP campaign to begin in July.

We planned two trips to test System 002. During the first six-week test trip, our crew faced challenges in the reliability of the electronics on the camera skiff. While our results in the first few weeks were not what we had hoped for, we learned important lessons that enabled us to reach operational capacity for the second half of the trip and harvest our first amounts of plastic. After returning to shore and changing crew, we embarked on our second six-week trip. This proved much more fruitful, in terms of both testing our systems and removing plastic from the water. Having met three key conditions – harvesting large quantities of plastic multiple times, operating the system safely with no harm to our people or equipment, and interacting safely with marine life (with just 0.38% primary bycatch and no capturing of protected species during our test campaigns) – we deemed System 002 a success, announcing proof of technology upon the team's return to Victoria, Canada, in October.

This was a milestone moment for the entire team at The Ocean Cleanup, marking the end of System 002's Development phase and – most excitingly – showing that our design for harvesting plastic from the ocean gyre is both effective and scalable. System 002 therefore immediately returned to the GPGP, now firmly in the Validation phase, to keep cleaning. We operated the system throughout the winter months, whose tricky conditions provided a valuable learning experience even as we continued to remove thousands of kilograms of dangerous plastic waste from the ocean.

LOOKING AHEAD: SYSTEM 03

In the meantime, using all we had learned, The Ocean Cleanup started to develop System 03, intended as the blueprint for the eventual scale-up to a full fleet of cleanup systems. In the final months of 2021, we focused on post-processing our data and understanding what adjustments will be needed as we move from System 002 to System 03. The most significant change is size: at 2.5 km long, the System 03 retention system will be slightly more than three times as big as that of its predecessor. Consequently, we will need to add a third vessel to operate the system. While this will involve some extra logistical complexities and higher operational costs, the third vessel will boost operational time significantly, helping us catch more plastic and reducing the carbon emissions per kilogram of plastic captured.

In 2022, having completed the engineering stage, we aim to manufacture the components of System 03 and gradually phase them into System 002 over the second half of the year and into the second quarter of 2023. Successful completion of the test campaign will close the Validation chapter of our Oceans activities, enabling us to progress to the Scale-up phase (in which we will deploy multiple systems until we reach a full fleet) and thereby putting us on the path to achieving our cleanup goal.

RIVERS

NEW AND EXISTING DEPLOYMENTS

In 2021, Validation work on our Rivers operations continued, with Interceptors 001, 002, and 004 continuing to capture plastic trash in Indonesia, Malaysia, and the Dominican Republic respectively. We also added two further Interceptor Originals to our operational fleet: Interceptor 003, stationed in the Can Tho Mekong Delta in Vietnam, and Interceptor 005, which joins its counterpart Interceptor 002 in the Klang River, Malaysia. Meanwhile, in Jamaica's Kingston Bay, trials of Interceptors 008, 009, and 010 – our first-ever Interceptor Barrier and Interceptor Tender solutions – began in late 2021 (see below).

We also have a strong pipeline of upcoming deployments. The planned operationalization of Interceptors 006 (Guatemala) and 007 (Los Angeles County, USA) in 2021 was delayed by the impacts of COVID-19 as well as various project complexities, but our current plan is for both systems to be operational in 2022. We also worked to prepare further installations – Interceptor Originals in Thailand and Indonesia – throughout 2021.

During the first half of 2021, the Rivers team assessed the suitability of a number of potential new river targets. Using this information, we worked to define a global program of 15 Interceptor deployments in collaboration with The Coca-Cola Company (see 'Funding').

GROWING THE INTERCEPTOR FAMILY

Among the 1,000 rivers we have identified as being the world's most polluting, each one features a unique set of conditions – including everything from its size, hydrology, ecosystem, and seasonality to the practices, requirements, and regulations of its local authorities. As a result, we decided in 2021 to diversify our Interceptor portfolio. Although our Interceptor Original is extremely effective in many rivers, it does not necessarily suit the nature and needs of every river we aim to clean. By expanding our range of solutions, we will be able to address plastic pollution in more environments than would be possible with our Interceptor Original alone.

To do this in a way that is both manageable and effective, we have added two new Interceptor models to our family: the Interceptor Barrier and the Interceptor Tender. We identified Kingston Bay in Jamaica as our first target for these solutions. The bay is fed by 11 stormwater gullies that carry large quantities of debris (an estimated 947 metric tons every year) when it rains. However, during the dry season, the water levels in the gullies run low. This, combined with the narrowness of the gullies, means the Interceptor Original is not a suitable option for this environment. The Ocean Cleanup team responded to this problem by developing the Interceptor Barrier, a standalone, floating, U-shaped barrier that traps debris at the mouth of a small river or canal until operators remove it using the companion system, the Interceptor Tender. Developed with our partner Berky, the Interceptor Tender is a small powered barge that uses a conveyor belt to extract the trash captured by the Interceptor Barrier before offloading the catch into an onshore container. This mobile extraction approach has the advantage of serving multiple Interceptor Barrier locations, thereby reducing the costs of cleanup.

In late 2021, we began testing a combination of three Interceptor Barriers – Interceptors 008, 009, and 010 – and one Interceptor Tender in three of Kingston Bay's gullies. Funding to cover this pilot was awarded by the Benioff Ocean Initiative in 2019 and supported by our committed local partners in Jamaica. So far, the results are promising, and The Ocean Cleanup's aim is to expand the pilot to the remaining eight gullies. This will, in part, be funded by Coca-Cola as part of our Global Implementation Partnership.

MANUFACTURING DEVELOPMENTS

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.

CATCH MANAGEMENT

A full-circle approach – where we recycle our plastic catch into something durable, sell it, and use the proceeds to fund more cleanups – has always been an important objective for The Ocean Cleanup. We aim to create value via our catch management in three different ways.

First, we treat the plastic we capture as a wasted resource, managing it responsibly and identifying ways to recycle or repurpose it. Second, by utilizing and licensing our tradename, we monetize our plastic catch, turning it into a valuable asset that allows us to keep pursuing our mission. Third, by extracting and recycling waste from rivers and oceans, we engage with and support many different stakeholders – from strategic partners to local communities.

THE OCEAN CLEANUP SUNGLASSES

In late 2020, we launched our first product – and the proof of concept for our trash-to-treasure model – The Ocean Cleanup sunglasses. Throughout 2021, we continued to promote sales online, reaching 94% of our goal by the end of the year. All pairs eventually sold out by February 2022. Thanks to the support of the many individuals and

businesses that purchased our sunglasses, we can now fund the cleanup for an area of ocean equivalent to roughly half a million football fields.

The experience of launching and marketing our sunglasses not only proved the power of our full-circle concept, but was also extremely helpful in clarifying our approach. In 2021, we decided that, rather than continuing to commercialize such products ourselves, we will in future team up with other brands and use their expertise to create sustainable products using our plastic catch. We believe this is the best way to allow us to maintain our focus on what we do best: cleaning our planet's oceans.

NEW APPROACH TO WASTE MANAGEMENT

Another important development in 2021 was the merging of our ocean waste management work (previously known as Valorization) with our river waste management efforts (previously part of the Rivers team) into a single Catch Management team. By gathering all our expertise in this way, The Ocean Cleanup benefits from a more holistic perspective on wider waste management systems and processing.

In 2021, the total trash collected by The Ocean Cleanup amounted to 858 metric tons: 820 metric tons from rivers and 38 metric tons from the ocean (at the time of publication, these numbers were pending external independent verification). A significant portion of the ocean catch was delivered by the landmark 12-week trial of System 002. In early 2022, permits were secured for transporting this trash from Canada to Europe for recycling. In order to be certified according to the DNV chain-of-custody standard, the plastic will be tracked along its journey from the GPGP into the final, end-use products.

Meanwhile, we continued our work with external research groups to learn more about our plastic catch and to optimize our strategies for managing this waste. In addition, The Ocean Cleanup's recycling manager joined a System 002 trip to the GPGP in late 2021, gaining a first-hand insight into how our plastic waste is handled from the moment of its capture. This was a valuable learning opportunity for both the Catch Management team and the Oceans team, and will help us create more effective interfaces between the off- and onshore management of plastic.

FUNDING

Our partners are central to the execution of The Ocean Cleanup's strategy. We rely not just on funding, but also on the knowledge, expertise, in-kind materials, and networks provided by our corporate, cultural, academic, and local partners. In turn, we recognize that partnerships are about value creation for both sides. We aim to offer our partners a range of benefits, from our insights and expertise on plastic pollution to employee pride, a broad communications reach, and a share of The Ocean Cleanup brand.

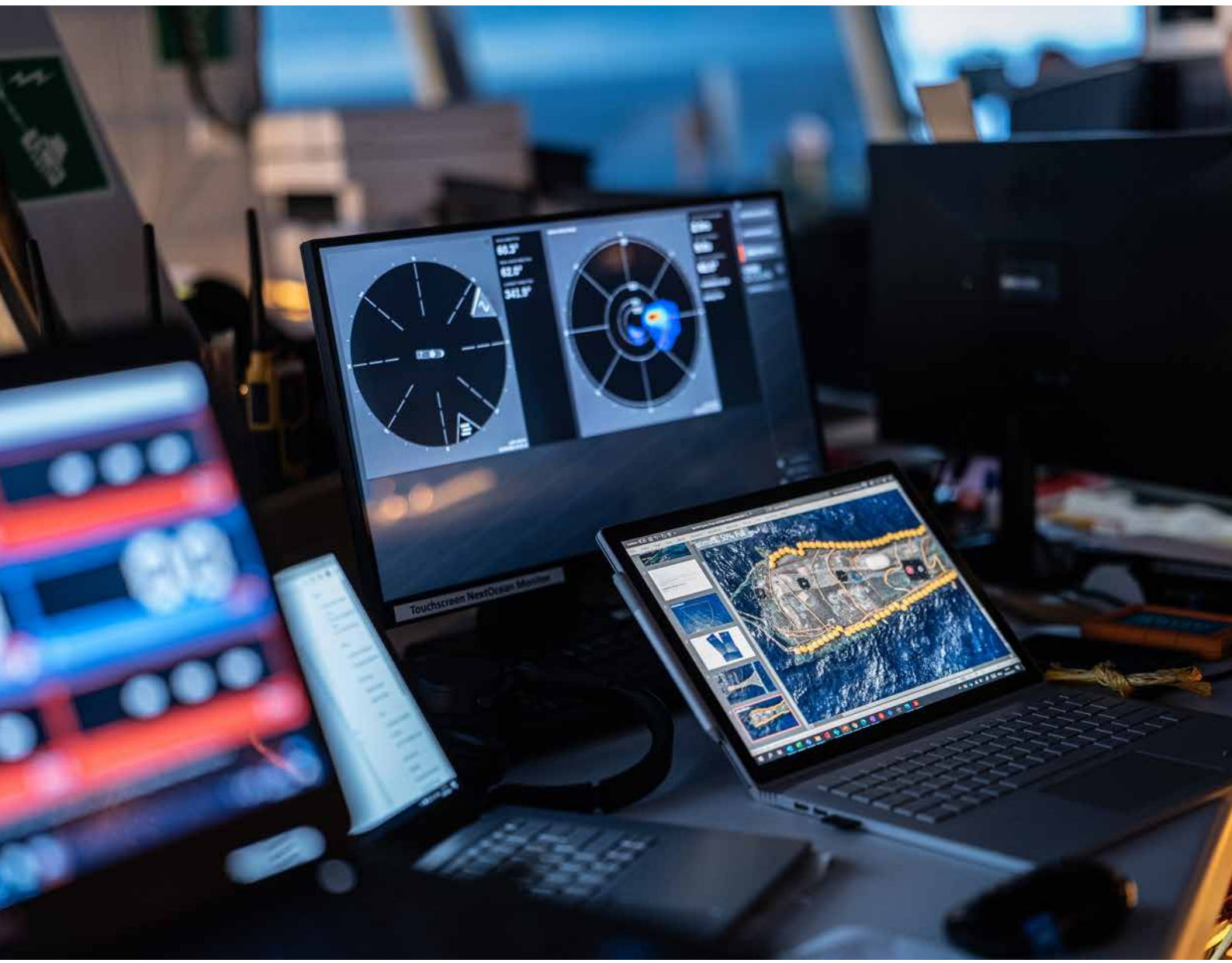
NEW DEVELOPMENTS

As well as continuing to engage with existing partners like Maersk, we formalized several new relationships in 2021. The most significant of these was our agreement with The Coca-Cola Company, which, in June, officially became our first Global Implementation Partner for our Rivers projects. Coca-Cola's global scale and established local networks will support us at Interceptor deployment projects in 15 rivers around the world over an 18-month period. Our aim is to grow this collaboration in the years ahead and maximize our impact on the ocean plastic problem.

As with all potential partnerships, we carefully weighed up the risks involved in linking our brand with that of another organization. It is no secret that many plastic bottles end up in the environment, including Coca-Cola packaging. Ultimately, we believe single-use plastics do not have a future, but we recognize that upstream changes take time and do not address what is entering our oceans right now. At the same time, Coca-Cola's resources and network can provide an unmissable opportunity to significantly advance our river operations. Our decision-making is ultimately driven by data, and we welcome support that will clearly have a net-positive impact on plastic pollution. As the first in the industry to join our mission, we hope Coca-Cola's partnership with us will set an example for other global players to follow in suit.

Alongside these corporate agreements, we secured two notable cultural partnerships in 2021. Our Interceptor 005, deployed in Malaysia at the end of the year, is sponsored by the British rock band Coldplay, and we aim to use the band's 2022 tour to amplify awareness of The Ocean Cleanup and our mission. We were also proud to be involved in the #TeamSeas fundraising campaign led by YouTubers MrBeast and Mark Rober between October and December 2021. The campaign leveraged their vast global social media following to raise awareness of plastic pollution, with donations – eventually totalling more than $30 million – to be split equally between The Ocean Cleanup and Ocean Conservancy. Every dollar raised equates to a pound of trash being removed from rivers, beaches, or oceans, with The Ocean Cleanup's contribution being fully committed to rivers.

These recent examples represent just a fraction of the funding and partnership assistance we receive from all corners of the globe. We are grateful not only to our largest, most visible partners but also to the many companies, organizations, and private individuals whose behind-the-scenes support makes up the fundamental backbone of our work to make our world's oceans clean.



MITIGATING RISK

PROTECTING THE NATURAL ENVIRONMENT

Maximizing our positive impact on the environment is fundamental to The Ocean Cleanup's mission, and we carefully develop our technology to ensure that we succeed in this goal. To enable us to mitigate any negative side-effects, we continuously work to understand the potential risks our operations may pose to the environments where our Oceans and Rivers projects intervene.

One way we do this is by conducting environmental impact assessments (EIAs) every time we make changes to our designs. In 2021, we partnered with CSA Ocean Sciences, as well as using information collected from our own research, to carry out an EIA for System 002 before developing an environmental monitoring plan, including measures to lessen risks during the offshore operation. The Ocean Cleanup's system is designed to be inherently safe for marine species: for example, it moves at very low speed, allows marine fauna to swim safely out of the retention zone, and, if necessary, can fully release its catch and free any trapped creatures. We have also developed a raft with lights and signals to deter marine life from approaching our cleanup system, as well as sensors to monitor whether any protected species enter the plastic retention zone, enabling us to react accordingly. In 2021, this deterrent and monitoring system proved to be highly effective.

Our iterative approach means we can identify evolving risks and embed mitigation measures into our designs and methodologies. By monitoring the impacts of these protection measures, we can in turn reach a conclusion about their effectiveness – and so the improvement cycle

continues. We will therefore ensure that our designs for System 03 take into account all we learned in 2021.

Meanwhile, risk mitigation for river environments brings complex and varied challenges due to the wide diversity of the rivers we target. As we expand our Rivers operations around the globe, we are working closely with Arcadis, an environmental consultancy, to perform EIAs on the locations where interventions are planned. Where potential risks are identified, we develop monitoring and management programs to ensure we do not cause unnecessary harm to the environment. The Ocean Cleanup is constantly balancing the risk of leaving pollution in the natural environment, where it can have a severe detrimental impact on ecosystems, with the potential negative effects of cleanup operations. Because we prefer considered action to inaction, we rely on gathering and using systematic, accurate data to ensure our activities have a strongly net-positive impact.

HEALTH AND SAFETY

The health and safety of our people is a top priority, not only in and of itself, but also as a means of ensuring we have the highest chance of success during our missions. For this reason, we work with reliable and reputable partners who are aligned with and enhance our approach to safety; our ocean crews, for instance, benefit from the health and safety expertise of our partner Maersk. In 2021, we once again recorded no health and safety incidents or injuries.

IMPACT OF COVID-19

The pandemic continued to affect our people and our activities in 2021. The Ocean Cleanup followed all rules and guidance from the Dutch government throughout the year, with our Rotterdam office remaining closed for extended periods. Nevertheless, we recognized the potential harmful impacts of prolonged isolation on our staff, so, to support our employees, we did all we could to facilitate low-risk social events – from socially distanced, outdoor walking meetings to online quizzes.

Since our Rivers deployments in particular depend on team members being able to travel, the ongoing

restrictions on movement in 2021 naturally posed challenges to our activities. Our external advisory partner, International SOS, kept us up to date on the ever-changing global picture, assessing the feasibility and risks of travel to specific countries. Meanwhile, supply chains for our Interceptors were disrupted, and we were also faced with shutdowns at the MHE-Demag factory of our manufacturing partner Konecranes in Malaysia. Finally, we continued to find that conversations with stakeholders abroad were less effective via video conferencing than in person.

While the ongoing impact of COVID-19 therefore delayed our progress in several ways, it has not dampened our ambitions. Our dedicated team has made the most of the opportunity to strengthen our organization and ensure that The Ocean Cleanup is well prepared to ramp up its operations as soon as the situation allows.

COMPREHENSIVE RISK APPROACH

We systematically prioritize the risks to our mission according to their likelihood and potential impact. This allows us to appropriately manage all essential mitigating actions, systems, and processes, and to obtain insurance coverage where required. Risks and mitigating management actions are reviewed, assessed for favorable or unfavorable trends, and prioritized on a quarterly basis by a sub-committee of the Extended Management Team to ensure awareness and ownership. The sub-committee will share findings and actions from these discussions with the Extended Management Team, which can also discuss the risk appetite and the extent to which risks are accepted in order to further our mission.

The above table identifies risks to the mission as a whole; for each project that we undertake, a separate risk analysis also takes place and is monitored by the project lead as the project progresses. For example, in our ocean technology development we follow a FMEA approach, where FMEA stands for Failure Mode & Effect Analysis. With each step of the development, the risk of technology failure is reassessed, with the aim of reducing the overall cumulative risk of technology failure. This provides clear guidelines on priorities of measures, investigations, testing and improvements, towards reducing the overall risk in the shortest possible time.

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
	Negative impact of potential environmental and social impacts of projects	Medium	High	High
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 and crypto currencies	Medium	Medium	Medium

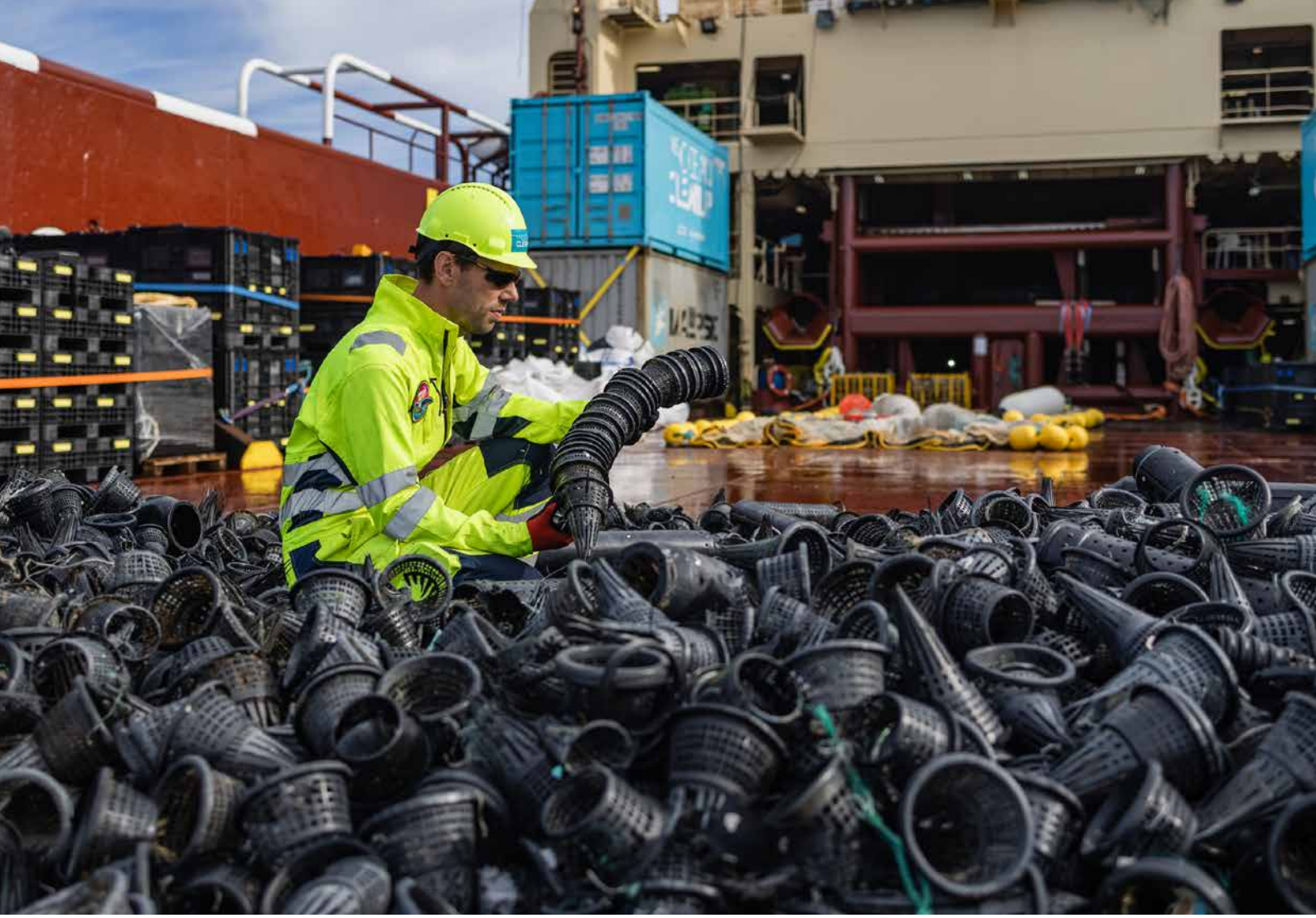
STAKEHOLDER MANAGEMENT

At the heart of our approach to stakeholder management are our storytelling and our brand. We rely on spreading our message and sharing our mission with as many people as possible to secure support from a range of funders, from private donors to international corporations. In 2021, our Communications team worked with an external agency that helps us handle online engagement with the public. Our goal is to ensure our message arrives safely and, in turn, to listen to and understand the perspectives of others, which we do through continuous monitoring of our community engagement.

EXTERNAL AND GOVERNMENT AFFAIRS

Our full-time Government Affairs function was established in 2020 and sits within the Legal team. In 2021, it continued to support The Ocean Cleanup 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 UN Environment Programme (UNEP), and (iii) grant applications to the EU and World Bank. In particular, Government Affairs was instrumental in finalizing a Memorandum of Understanding with the government of Thailand for our planned Interceptor installation in the Chao Phraya river in Bangkok. We also started discussions for an exciting global cooperation with the UN Development Programme (UNDP).

The Ocean Cleanup continues to rely on the support of the government of the Netherlands based on the Covenant, which officially recognizes our Oceans systems that are removing floating plastic from the high seas as Dutch equipment. We therefore regularly report on our progress to the relevant departments. Likewise, the Dutch Embassies in the countries where we operate have provided valuable support in conducting interactions and agreements with local governments and authorities.



ENGAGING WITH THE SCIENTIFIC COMMUNITY

The scientific community is a specialist section of our wider stakeholder community, and therefore requires a different engagement approach. In particular, we believe it is vital for The Ocean Cleanup to be part of the scientific discussions related to marine debris. In 2021, our employees participated in 25 (online) conferences and panels, as well as publishing eight articles in peer-reviewed journals. We see these activities as key to our mission, helping us stay connected to other industry experts and confirming the scientific validity of our approach to ridding the oceans of plastic.

ADDRESSING STAKEHOLDER CONCERNS

As we achieve new successes, and as our profile grows, it follows that we sometimes attract criticism from outside voices. In 2021, no significant new concerns were brought to our attention, and we continued to focus our research on known areas of interest, increasing the scientific understanding of the plastic pollution problem and of the impacts of our operations.

In June, we published a peer-reviewed article in Frontiers in Marine Science about our findings on possible correlations between floating plastic and neuston in the Great Pacific Garbage Patch (see 'Research' for more details). Most notably, we found no direct correlation between the removal of ocean plastic and neuston bycatch. However, we recognize that there are many more gaps in our collective knowledge of this ecosystem, and we intend to continue our efforts to fill them. We appreciate being held accountable for all aspects of our mission and we engage with critics on this and other subjects as appropriate. In the meantime, we learn more from the data gathered by every offshore campaign we carry out, and our approach is to assess and respond to risks iteratively as our understanding grows.

ORGANIZATIONAL DEVELOPMENT

As we transition from a sole R&D focus toward the execution of our projects at scale, we recognize that our organization needs to evolve accordingly. In 2021, we continued our work to ensure we are well placed to collaborate with partners on the global stage and to maximize our impact on the challenge that faces us.

CONTRIBUTIONS FROM SUPPORT TEAMS

HUMAN RESOURCES (HR) AND EMPLOYEE WELLBEING

At The Ocean Cleanup, we understand that our technology, strategy, and mission can only prosper if we have the right people and processes in place. Our success therefore relies on a special, shared mindset and a particular way of working. In 2021, our HR team completed its cultural development review, aimed at defining key tenets of The Ocean Cleanup culture and identifying areas for improvement. We believe our growth makes it more important than ever to promote

a set of fundamental behaviors that all of us at The Ocean Cleanup strive to embody. In turn, by establishing a common cultural philosophy, we will be able to grow our organization in a more sustainable way. In the second half of 2021, the Management Team began to implement the results of the review.

Alongside the assessment of our company culture, the HR team also updated a number of internal policies to further emphasize staff development and training. This reflects our belief that the retention of talented and motivated people is essential to our ongoing success.

LEGAL

The Ocean Cleanup Legal team supports our whole organization, from Rivers and Oceans to all internal functions. Our extensive cleanup ambitions and the growth of our active presence in locations around the globe mean we regularly need to engage with other players on the world stage – from multinational corporations like Coca-Cola to governments and international bodies like UNEP. We took important steps in 2021 to ensure we are well prepared for professional, effective collaboration with various key partners, including by expanding our team.

FINANCE

As a nonprofit foundation, The Ocean Cleanup relies on donor support to carry out our work. In 2021, our Finance team helped us join forces with #TeamSeas to raise funds to cover the removal of 15 million pounds of trash from rivers (see 'Funding' for further details). It also continued to ensure the proper financial governance of our organization, in line with all relevant laws and regulations, and improved The Ocean Cleanup's reporting, budgeting, and forecasting processes. This will allow us to create a better financial plan to support our work in the future.

The Ocean Cleanup is also the sole member of a US-based foundation (501(c)3), The Ocean Cleanup North Pacific Foundation. In 2021, the governance structure of The Ocean Cleanup North Pacific Foundation was reviewed to further strengthen and emphasize its independence as a US foundation, separate from the core organization based in the Netherlands.

COMMUNICATIONS

Raising awareness of the ocean plastic problem and how we are helping to tackle it is central to our mission. In October 2021, when our System 002 made its landmark return to port in Canada with a total catch of 28,659 kilograms (numbers pending external audit) of ocean plastic, our Communications team succeeded in making this milestone moment heard around the world, organizing a major press event and sharing striking documentary footage of the plastic catch containers being emptied. News of System 002's positive results according to Meltwater reporting subsequently reached more than 1.2 billion people worldwide across all media, including social platforms.

Over the course of 2021, The Ocean Cleanup increased its social media following from around 1.5 million to more than 2 million, entirely as a result of organic growth. Even with so many followers, we consistently maintain our engagement level at a rate above 5%. For us, this is a sign that our message and mission not only reach but also continue to inspire people all over the world.

STAFFING AND GOVERNANCE

Every department and function has a part to play in achieving our mission. Our team is made up of driven individuals, working together to rid the oceans of plastic. At the end of 2021, The Ocean Cleanup comprised 124 employees (50% female and 50% male), including 109 full-time staff. Altogether, our team represents 29 different nationalities. Aside from the hard work of our employees, we continue to benefit from the support of motivated and skilled volunteers, interns, and educators around the globe, as well as from engineering partnerships, joint work with research institutes, and expert professional advisors. New ideas and constructive feedback from outside sources are crucial in aiding all that we do.

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, Instituto Tecnológico de Santo Domingo, The University of West Indies at Mona, UCSD Scripps, Wageningen University, University of Kwazulu-Natal, Chulalongkorn University, University Teknologi Malaysia, Universitat Wien and the

Royal Netherlands Institute for Sea Research (NIOZ). We also seek independent counsel from our Scientific Advisory Board. Established in 2016, this board is composed of independent external advisors who, within their field of expertise, contribute to and challenge The Ocean Cleanup's designs and strategies.

The Ocean Cleanup Management Team, led by Founder and Chief Executive Officer Boyan Slat, saw a number of changes to its composition in 2021. In June, we welcomed a new Managing Director, Jacob Fonteijne. Lonneke Holierhoek, our Director of Science and Operations, also took up the role of Rivers Director ad interim, while Finance Director Joy Gao also took on the position of interim Chief Financial Officer. At the end of the year, the Extended Management Team included Joost Dubois (Director of Communications), Josee Meiners (HR Director), Rutger de Witt Wijnen (General Counsel), and Stella van den Berg (Catch Management Director).

Complying with the recognized two-tier corporate leadership structure for European 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, and act as a sounding board for, management, as well as holding management accountable for all major decisions (which can only be implemented with Supervisory Board approval). In 2021, the Supervisory Board comprised Bert Bruggeman (Chair), Jaska de Bakker (Finance and Governance), Frederik Gerner (Technology and R&D), and Chris van der Vorm (Communications). In 2021, Feike Sijbesma continued his role as Senior Advisor to the Supervisory Board.

The US-based foundation, The Ocean Cleanup North Pacific Foundation, operates as a registered 501(c)(3) nonprofit. In 2021, the US foundation was governed by our US Board of Directors, consisting of Carl van der Zandt, Mark Hawkins, USCG Vice Admiral Rob Parker (retired), Boyan Slat (CEO and President) and Joy Gao (as Treasurer, replacing Jos Huijbregts per 1 February). Lonneke Holierhoek resigned from the Board as per February 1, 2021 and was not replaced.

FINANCIAL PERFORMANCE AND BUDGET

Comparing The Ocean Cleanup's 2020 spend against that of 2021 paints a picture of two very different years. Owing to the onset of the COVID-19 pandemic and related disruption, 2020 saw a revision to our budget that reflected our scaled-down activities and anticipated donations; in 2021, as the world slowly began to recover, our financial planning was designed to support the ramp-up of operations and our ambitious outlook.

Unfazed by the setbacks of the pandemic, our team remained resilient in 2021, setting out a substantially larger operational budget of EUR 35.7 million that reflected our desire to deliver on our promises for Oceans and Rivers projects alike. Both programs represent our most significant projects in terms of impact and cost. For Oceans, we budgeted for an operational System 002, and for Rivers, for numerous deployments from the USA and Jamaica to Malaysia and Indonesia. While our ambitious Oceans plan was successful, progress in Rivers was hampered by external factors such as the ongoing pandemic and difficulties in managing local stakeholders. Financially, the delays to Rivers deployments are represented in the 20% decrease in operational costs against our budget, from an anticipated EUR 26.6 million to EUR 19.6 million in actual spending for The Ocean Cleanup as a whole. This decrease does not represent a saving, but more a shift in timing: the same project activities have now been budgeted for 2022 on a renewed timeline. Alongside these significant projects, we continued to engage with skilled partners on environmental monitoring, design work, engineering and testing, and collaborative research projects.

HR expenditure rose from EUR 6.6 million in 2020 to EUR 7.0 million in 2021, excluding 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 January to March (NOW 4: EUR 0.8 million) and April to May (NOW 5: EUR 0.4 million). We did, however,

overestimate how many more full-time equivalent employees would join The Ocean Cleanup team in 2021, hence the variance against our budgeted HR costs of EUR 7.8 million.

In the anticipation of increased activities, we set our income budget at EUR 39 million, three times the amount received in 2020. At the conclusion of 2021, we had received EUR 27.3 million in income, thanks to the generosity of our partners and donors as well as of the supporters of The Ocean Cleanup sunglasses, which were on the brink of selling out by the end of the year. We also held numerous successful fundraising campaigns, signing our first global partnership with The Coca Cola Company, and participating in #TeamSeas, an international collaborative fundraiser which sought to raise EUR 30 million (of which we were entitled to 50%) by the end of 2021. This #TeamSeas money is a multi-year commitment and will partly be recognized in future years.

Our cash reserves ended the year at a healthy EUR 42 million, some of which is considered restricted until we satisfy certain requirements related to projects for which the funds were granted. We also expect to receive additional donations and cash from the aforementioned fundraising campaigns, hence the threefold increase in our short-term receivables. With EUR 42 million in cash and current assets exceeding current liabilities, we can responsibly continue our efforts for the next 12 months.

As we continue to scale up our activities, our approved base budget for 2022 is EUR 49.0 million; this includes the extension of System 002 operations as well as Rivers projects that were scheduled in 2021 but pushed into the new year. It does not, however, include the operations involved in the transition of System 002 to System 03, nor any new upcoming Rivers deployments. As a project-heavy organization, we will continue to closely monitor changes in economic conditions, as well as their (potential) effects on our income and operational progress, to ensure that we can adjust budgets where needed. The Funding team will continue to actively pursue the donation and partnership opportunities we need to support The Ocean Cleanup as we grow.

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.

A WORD OF THANKS

The Ocean Cleanup's continued progress towards achieving our mission of ridding the oceans of plastic is only possible because of the sustained and loyal support of private donors, corporations, and philanthropists. Their generosity, displayed through both monetary and in-kind donations, remains a source of humility and inspiration for all of our crew. We extend a particular thank you to our partners A.P. Moller – Maersk, The Coca-Coca Company, Latham & Watkins, Deloitte, De Brauw Blackstone Westbroek, Macquarie, AkzoNobel, Tito's Handmade Vodka, Coldplay, PADI, the Vodafone Foundation.

2021 was a momentous year for The Ocean Cleanup: our new ocean cleaning solution, System 002 or 'Jenny', was validated, tested and deployed in the Great Pacific Garbage Patch, where she began removing plastic in November. The significance of this milestone cannot be understated, nor the hard work and tireless commitment of our crew of talented and dedicated scientists, researchers, developers, thinkers, builders and documentarians who brought it to fruition. We thank each of you for what you do for The Ocean Cleanup.

To those who would criticize us, we also send thanks. The Ocean Cleanup is a science-based organization and will always be open to rigorous scientific debate as part of our commitment to rid the oceans of plastic any way we can. Oceans don't have owners; we are all stakeholders in this planet's future, and we welcome any collaboration or constructive criticism which helps us all achieve a better, cleaner future.

And finally, to all those individuals around the world who support us – by following us on social media, purchasing our official merchandise from our website, or simply donating to us as an act of generosity and shared belief that this mission can be achieved – we thank you, and we hope you will continue to follow us and continue our journey together. Every day, with each small step, we get closer; a new engineering breakthrough, an unexpected lesson learned through experimentation, a well-timed source of funding or the shared joy of a successful trial. Every day, as we progress, we are grateful for the support of all those who share our belief that a world of plastic-free oceans is possible.

REPORT OF THE SUPERVISORY BOARD

INTRODUCTION

The Ocean Cleanup develops and scales technologies to rid the oceans of plastic. Within this mission, the role of the Supervisory Board (SB) is to assist where possible and to apply checks and balances for the Management Team (MT) of The Ocean Cleanup.

The SB convened four times for Board meetings during 2021 and conducted several other meetings for the approval of specific projects. In addition, it was involved in three 'informal' meetings, one of which was dedicated to the establishment of a partnership between The Ocean Cleanup and The Coca-Cola Company. The scheduled quarterly SB meetings cover in-depth discussions on selected topics as well as general updates on a wide range of issues. These include stakeholder management and developments and progress in all key departments of The Ocean Cleanup: Oceans, Rivers, Catch Management, Research, HR, Finance, Funding, and Communications. In the interest of efficiency, the SB divides its overall responsibility into key focus areas that are championed and supported by individual members of the SB. In 2021, the SB also joined numerous ad hoc meetings and calls with the MT, employees of The Ocean Cleanup, and external advisors.

KEY DEVELOPMENTS

2021 can be summarized as a year in which Oceans pivoted toward a proven and feasible solution that can be successfully scaled to catch plastic in the Great Pacific Garbage Patch. Meanwhile, Rivers prepared for proof of concept in several locations through a focused approach. Along the way, The Ocean Cleanup continued to deal with the restrictions caused by the COVID-19 pandemic while making progress on its mission and keeping morale high.

Regarding Oceans, the SB supports the choice and further testing of System 002. This relies on mechanically driven systems and allows for continued development in terms of efficiency and scale. System 002 was successfully tested in the course of multiple expeditions in 2021, and now forms the foundation for the blueprint design of a much larger, replicable system (System 03). During the design and testing process, the SB will continue to challenge the MT on the reduction of CO2 emissions, bycatch, and costs.

Turning to the Rivers program, the SB continues to push for quality over scale; The Ocean Cleanup's emphasis must lie on execution and proof of concept. The combined complexities that come with multiple stakeholders, foreign emerging economies, and funding coordination have led the SB to call for in-depth engagement between the SB and MT on the management of operator contracts, the role of The Ocean Cleanup in Interceptor funding, and the introduction of financial liabilities across the different Rivers projects. Permits, logistics, seasonal and river variations, and the identification of reliable and capable partners are still proving to be significant hurdles that are tough to overcome when deploying Interceptors. Promising steps in 2021 to boost and accelerate Rivers included the involvement of the UN Development Programme (UNDP) in Guatemala and the signing of a contract with Coca-Cola, the first global implementation partner. The Ocean Cleanup will leverage Coca-Cola's global resources to support the roll-out of Interceptors in multiple countries and regions across the world. The SB fully supports the establishment of these

partnerships while keeping a close eye on the alignment of objectives, costs, risks, and opportunities.

The SB has been adamant about the need to further develop key performance indicators to keep track of progress. Such indicators include budget versus spend versus available cash, uptime of Interceptors, and plastic catch in Rivers and Oceans activities. This emphasis aims to allow for effective management and control, as well as encouraging a performance-based approach.

In 2021, the SB was closely involved in several HR-related activities; namely, reflecting on organizational need and salary levels, recommending sources and candidates, and assisting in interview processes. In March, Managing Director Chris Worp left The Ocean Cleanup to pursue a long-time ambition, and was replaced in June by Jacob Fonteijne, who, as the new Managing Director, brings extensive managerial and technical background and operational experience. The SB thanks Chris for his dedication and contribution to bringing the organization to the next level and welcomes Jacob to the MT.

As The Ocean Cleanup ramps up its ability and capacity to catch plastic, the SB is working with the MT on strategic questions around the recycling infrastructure for, and intelligent repurposing of, this plastic. In 2020, The Ocean Cleanup launched its sunglasses, a pilot project that continued successfully throughout 2021. The lessons learned are being applied as part of a broader and larger-scale valorization strategy, now termed Catch Management.

The SB continues to support The Ocean Cleanup's communications and public relations efforts. The organization's brand, network, and exposure continue to grow, which means communication remains a vital part of its operations. Working with large partners such as Coca-Cola makes communication management even more critical. Millions of people actively follow The Ocean Cleanup's activities, reflecting its success in terms of exposure, results, and communication. This in turn plays a major role in attracting funding, establishing relationships, and assuring goodwill from corporate and government partners. The SB continues to endorse an open and transparent approach to communications, the sharing of successes and disappointments, and the care taken to place them in context, both internally and externally.

The SB also endorses the efforts of The Ocean Cleanup's Research team, which have enabled the organization to grow into a leading expert on applied plastic pollution science and data gathering. A deep understanding of plastic pollution (including how it spreads across environments and affects our planet) is essential to developing methods to trace, catch, and recycle plastic trash. All research publications in scientific journals are listed on The Ocean Cleanup's website, in line with the organization's aim to share its knowledge of plastic pollution with the widest possible audience.

FINANCIALS

As The Ocean Cleanup continues to grow in size and complexity, it recognizes the need for a strong and reliable Finance department. Oceans involves increasingly large budgets for the purchase of assets and vessel operations, and Rivers faces increasing risks due to the reliance on third-party funding and operations. To enhance budget control, the SB approves an annual base budget separate from stage-gated budgets. Stage-gated projects (such as Research projects or new Rivers projects) are presented over the course of the year by the MT, alongside a detailed justification. The SB continues to monitor the cash position of the organization and its (contingency) reserves. At the same time, it underlines the need for an organization that is sufficiently equipped in terms of structure, good governance, and processes.

Fundraising efforts entered a new phase in 2021, not only with project-related funding, such as that from Coca-Cola, but also with sizable non-project-related funding, including that from MrBeast and #TeamSeas. The MT and SB recognize the need for a significant scale-up of funding in order to realize The Ocean Cleanup's ambitions. At the same time, the SB continues to closely monitor the cash position of The Ocean Cleanup. It encourages and assists the MT in addressing the organization's long-term financial needs and continues to make available a comprehensive network of relevant contacts that can further these goals. The professionalism and dedication of the Funding team continue to play a major role in securing both large donations and smaller contributions.

COVID-19

The Ocean Cleanup continued to deal well with COVID-19

throughout 2021; nevertheless, the SB understands that the situation had a significant impact on the year's progress and results. The MT was careful to reduce potential health risks and to stick to guidelines that limited the risk of infection among employees.

AUDIT

The MT prepared this annual report for 2021, including the financial statements, and submitted them to the SB, which adopted and approved them on June 29, 2022. EY was approved by the SB as the auditor for the 2021 financials, and has both audited the financial statements and issued an unqualified opinion, as published in this annual report.

CONCLUSION

The SB recognizes that, due to COVID-19, The Ocean Cleanup faced another challenging year in 2021. Nonetheless, much progress was made despite the restrictions, and the organization has continued to successfully pursue an important mission.

The SB also continues to recognize that cleaning the world's oceans of plastic and preventing plastic from entering the seas is an extremely ambitious goal. The Ocean Cleanup will undoubtedly face many more challenges on its path to success. In comparison to 2020, 2021's accomplishments clearly pivoted toward the stage where significant amounts of plastic can be cleared from rivers and oceans worldwide. The Oceans team reached proof of technology for a blueprint that will collect significant amounts of plastic, ahead of the scale-up that marks the start of a new phase for the organization. In Rivers, the team made significant progress on partnerships, funding, and implementation models; now, the uptime of multiple Interceptors in highly polluted rivers will determine its capacity to deliver. Taking into account the progress made on all fronts during the course of 2021, the SB wishes to express its respect for the entire The Ocean Cleanup team.

The members of the SB enjoy working with The Ocean Cleanup and its MT, and feel proud to have contributed toward the achievement of meaningful goals. We would also like 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, management, funders, partners, and supporters for their invaluable contributions – whether time, knowledge, networks, or resources – to the goal of ridding the world's oceans of plastic.

The Supervisory Board:
Bert Bruggeman
Jaska de Bakker
Frederik Gerner
Chris van der Vorm
and
Feike Sijbesma (Senior Advisor to the SB and MT)

FINANCIAL STATEMENTS

CONSOLIDATED BALANCE SHEET AS AT 31 DECEMBER 2021

Eur000's	Note	31 December 2021		31 December 2020	
Assets					
Fixed assets					
Tangible fixed assets	5	2.434		514	
Financial fixed assets	6	1.298		1.458	
			3.732		1.972
Short Term Receivables					
Debtors	7	2.663		171	
Other receivables and prepayments	8	4.402		647	
Tax and social security	9	1.841		1.482	
Inventories	10	1.135		1.088	
			10.041		3.388
Cash					
Cash at banks	11	42.004		38.344	
			42.004		38.344
Total Assets			55.777		43.704
Liabilities & reserves					
Reserves					
General reserve	12	35.063		34.392	
Foreign currency translation reserve	12	287		-281	
			35.350		34.111
Short Term Liabilities					
Creditors		2.818		1.147	
Tax and social security	13	173		178	
Other liabilities and accrued expenses	14	17.436		8.268	
			20.427		9.593
Total Liabilities & Reserves			55.777		43.704

CONSOLIDATED STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2021

Eur000's	Note	2021 Actuals	2021 Budgeted	2020 Actuals
Income				
Donations		25.564	37.900	13.064
Donations in kind		505	-	396
Sales of merchandise		871	1.100	402
Reimbursements and other income		363	-	4
Total Income		27.303	39.000	13.866
Expenses				
Human resources	15	5.798	7.838	4.416
Operational costs	16	19.569	26.599	4.231
General & support costs	17	1.133	1.048	971
Depreciation and impairments	18	304	-	247
Financial income and expenses	19	(172)	239	384
Total Expenses		26.632	35.724	10.248
Result *		671	3.276	3.618
Appropriation of result *				
Addition/(Release)				
General reserve	12	671	3.276	3.618
Dedicated funds		-	-	-
Result *		671	3.276	3.618

* 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 2021

Eur000's	2021	2020
Cash flow from operating activities		
Net result	671	3.618
Adjustments for:		
Depreciation and impairment	304	247
Receivable from a multi-year promise to give	160	175
	1.135	4.040
Movements in working capital:		
Short term receivables	(6.656)	(1.255)
Short term liabilities	10.835	1.369
	4.179	114
Net cash generated from operating activities	5.314	4.154
Cash flow from investment activities		
Investments in tangible fixed assets	(2.225)	(132)
Net cash generated from investment activities	(2.225)	(132)
Cash flow from financing activities		
Net cash generated from financing activities	-	-
Net cash flows	3.089	4.022
The movement in cash at banks can be summarised as follows:		
Balance as at 1 January	38.344	34.633
Movements during the financial year	3.089	4.022
Effect of exchange rate on cash	571	-311
Balance as at 31 December	42.004	38.344

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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
b. from the oceans/seas on a large scale;
c. 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;
d. Increase social awareness of plastic pollution of the marine environment; 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 Ocean Cleanup Guatemala S.A., Guatemala (100%) from July 2021

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 North Pacific operations, as well as processes the waste collected.
- 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 receives funding from the USA and applies funding to project in-line with it's mission to preserve and protect the natural ocean environment for the benefit of the public
- The Ocean Cleanup Guatemala S.A., Guatemala to promote and represent the interests of the Ocean Cleanup in Guatemala, including the development and implementation of technologies to remove waste from streams and rivers before it reaches the oceans.

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.

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.

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. Asset in construction is valued consistently at historical cost, including any directly attributable costs to bring asset to working condition for its intended use. It will be depreciated once asset is in working condition.

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)

3.1 Financial fixed assets

3.1.1 Participations

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

If the valuation of an associate based on the net asset value is negative, it will be stated at nil. If and insofar as the Foundation can be held fully or partially liable for the debts of the associate, or has the firm intention of enabling the participation to settle its debts, a provision is 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 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.

3.3 Accounts receivable

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

3.4 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.

3.5 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.

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.

The Foundation received material amounts of donated virtual cryptocurrency in 2021. The Foundation has a policy to sell cryptocurrency upon receipt and convert to cash. There is no intention to hold or trade cryptocurrency in ordinary course of business and therefore there are no cryptocurrency assets held as at 31 December 2021. Any change in value upon receipt and conversion is immediately recognized in the profit and loss account.

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 2021 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 2021. 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 as at the year ended 31 December 2021, has a pension scheme for its employees.

Contributions payable to the pension plan administrator are recognized as an expense in the income statement. Contributions payable or prepaid contributions as at year-end are recognized under accruals and deferred income, and prepayments and accrued income, respectively.

4.4 Operating leases

The Foundation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Under operating leases, the lease payments are charged to the income statement on a straight-line basis over the term of the lease.

The Foundation has entered into an operating lease relating to an aquatic asset for harvesting activities as lessee. The future minimum lease payments can be broken down as follows:

€ 000's	2021	2020
With a term of less than to one year	55	-
With a term equal to or more than one to less than or equal to five years	73	-
With a term of more than five years	-	-
	128	-

Total lease payments of €18.000 (2020: nil) are included in the income statement for 2021.

4.5 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.

4.6 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. No development costs were capitalized as an asset.

4.7 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.

4.8 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, in 2020 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 2022.

4.9 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 Foundation recognizes there is an impact, amongst other global uncertainties, of the COVID-19 pandemic, the ongoing war in Ukraine and sanctions issued to Russia. It is noted these events have negatively affected consumer sentiment, increased market volatility and rising costs of energy and commodities. Based on current available information, there is no direct impact to the financial statements for year ending 31 December 2021 nor any notable events to disclose after balance sheet date. The Foundation continues to perform due diligence on potential partners and donors, monitor changes in economic conditions, as well as effects on our income and operational progress, to ensure we can adjust budgets where needed.

4.10 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 Foundation communicated to the Supervisory Board on 25 November 2020 that in order to ramp up on operational activities and fulfil ambitions for 2021, a projected income of € 39.0M income and projected costs of € 37.1M were required. In light of the ongoing COVID-19 pandemic however where global uncertainty was still likely, it was considered prudent to only request approval for projected costs of € 17.9M. The difference represented projects such as the test campaign for System 002 and deploying additional River projects which would be requested throughout the year to the Supervisory Board. The final budget approved upon 14 September 2021 was for a projected costs of €35.7M.

When comparing the revised budget to the performance in 2021, the Foundation notes that:

- income was € 11.7M less than anticipated in the budget; there were fundraising campaigns which were not yet contracted at the end of the year as well as the accounting impact of #TeamSeas campaign which meant funds are held restricted until conditions on impact were met.

- costs came in € 9.1M lower than expected as the Supervisory Board had approved certain River deployment projects, however due to external factors, these projects were either unable to be initiated or commenced with a delay and therefore costs have been added into the budget for 2022. Furthermore, the Foundation was entitled to € 1.2M in 'Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud (NOW)' wage subsidies from the Dutch Government. The NOW support was granted for the periods January to March (NOW 4 €0.8M) and May to June (NOW 5 €0.4M).

It is noted in for the 2021 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 2021.

4.11 Going concern

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

NOTES TO THE CONSOLIDATED BALANCE SHEET

Eur000's			2021		2020
5 - Tangible fixed assets					
Opening balance			514		629
Investments in fixed assets during the year	Office and Facilities	146		86	
	Project Equipment	2.079		46	
Total investments in fixed assets			2.225		132
Impairment in fixed assets during the year	Office and Facilities	-		-	
	Project Equipment	(29)		(11)	
Total impairment in fixed assets			(29)		(11)
Depreciation charge for the year	Office and Facilities	(26)		(21)	
	Project Equipment	(250)		(215)	
Total depreciation charge			(276)		(236)
Closing balance			2.434		514
Purchase value	Office and Facilities	839		693	
	Project Equipment	2.996		946	
Purchase value of tangible fixed assets			3.835		1.639
Accumulated depreciation	Office and Facilities	(614)		(588)	
	Project Equipment	(787)		(537)	
Total accumulated depreciation			(1.401)		(1.125)
Closing Balance			2.434		514

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. As at the end of the December 2021, 1.8M in assets and costs directly attributable to the assets for the river cleaning project in Guatemala were capitalised as project equipment. The average useful life of tangible fixed assets is 3 - 5 years.

6 - Financial fixed assets				
Receivable from multi-year promise to give	1.386		1.566	
Discount on receivable	(88)		(107)	
		1.298		1.458

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	2.663		172	
		2.663		172

All debtors originated in 2021 and are expected to be settled within 6 months of year end. No provision for doubtful debts has been raised at the end of 2021 or in previous years. In comparison to 2020, there were more significant contracts signed in 2021 which were outstanding as at the end of the year.

Eur000's		2021		2020
8 - Other receivables and prepayments				
Prepayments and other receivables	4.402		647	
		4.402		647

The other receivables include promises to give that are receivable in less than one year which have not been discounted. Significant donations for fundraising campaign #TeamSeas were not yet received by the Foundation as at December 2021 resulting in a material receivable compared to 2020.

9 - Tax and social security				
Value Added Tax	246		212	
Research and development tax credit receivable	620		404	
Wage subsidy (NOW)	975		865	
		1.841		1.482

The research and development tax credit (WBSO) of € 620.000 (2020: €404.000) 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 € 975.000 to be received for the 2021 year (2020: € 865.000). Please refer to Note 4.2.3 for more information on accounting treatment of government grants.

10 - Inventories				
Prepaid inventory - Interceptors	970		640	
Finished goods - Sunglasses	108		448	
Barriers	58		-	
		1.135		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. € 970.000 has been prepaid to start the manufacture of three Interceptors needed for 2022 plans. In tandem, we have procured barriers which will be used for future river deployments.

11 - Cash & cash equivalents				
EUR denominated cash	26.639		30.761	
USD denominated cash	15.365		7.582	
		42.004		38.344

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		2021		2020
12 - General reserve				
Opening balance	34.392		30.774	
Donations received	27.303		13.866	
Used for general projects	(26.632)		(10.248)	
		35.063		34.392

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. In 2021, the net of donations received and funds expended for general projects is the surplus of € 671.000. 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 positive reserve in 2021 (€ 287.000) represents an unrealised gain from the currency translation of US Dollars to Euros.

13 - Tax and social security				
Social security payable	173		178	
		173		178

14 - Other liabilities and accrued expenses				
Personnel liabilities	245		218	
Accrued expenses	1.280		526	
Other payable	15.912		7.524	
		17.437		8.268

Personnel liabilities relate to the 8% holiday allowance which accrues to employees and is paid out in May 2022.

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 and € 8.3 million conditional on meeting impact requirements from #TeamSeas. Remaining 600K also represents deferred donations for projects commencing in 2021.

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

Eur000's	2021	2020
15 - Human resources		
Gross salaries	3.719	2.244
Social security expenses	71	318
Staff costs - external contractors	1.638	1.639
Other HR costs	370	215
	5.798	4.415

During 2021, the Foundation and its subsidiaries employed on average 109 full time equivalents (2020: 92 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 € 620, 000 (2020: 404,000) 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 € 1.2 M is included in gross salaries. See Note 4.2.3 for more information on the accounting treatment of government grants.

16 - Operational costs		
Transport and storage	802	327
Outsourced work	7.436	2.264
Charter of vessels and staff	7.687	437
Facilities, equipment and tools	204	99
Procured materials and system components	2.448	160
Public relations	468	657
Travel and accomodation	523	287
	19.569	4.232

Operational costs increased significantly to EUR 19.569.000 in 2021 with the commencement of testing in the Great Pacific Garbage Patch for our Ocean project, System 002 and the deployment of numerous river projects in various stages. In comparison, previous year (2020: 4.248.000) was impacted by COVID-19 circumstances which delayed and restricted our operations. Vessel charter costs and the procured materials and system components are directly linked to the System 002 prototype and deployment. Outsourced work is also a significant cost category as the Foundation engages skilled partners for environmental monitoring costs, design work, engineering and testing, collaborative research projects and contracting with local operators for river deployment systems which support the Foundation's mission.

17 - General & support costs		
Housing	305	303
IT	299	298
Insurance, health and safety	185	86
Consultancy fees	193	134
General and adminstration costs	151	150
	1.133	970

Eur000's	2021	2020
18 - Depreciation and impairments		
Office and facilities	26	21
Project equipment	250	215
Disposal of project equipment	29	11
	304	247

19 - Financial income and expenses		
Banking charges	101	81
Interest received	1	(2)
Foreign exchange differences	(273)	304
	(172)	384

STICHTING THE OCEAN CLEANUP
BALANCE SHEET
AS AT 31 DECEMBER 2021

Eur000's	Notes	31 December 2021	31 December 2020
Assets			
Fixed Assets			
Tangible fixed assets	21	114	92
Financial fixed assets	22	1.865	1.962
		1.979	2.054
Short Term Receivables			
Receivables from group companies	23	17.129	23.337
Debtors	24	1.933	122
Other receivables and prepayments	25	1.111	308
Tax and social security	26	70	48
		20.243	23.815
Cash			
Cash at banks	27	13.262	9.536
		13.262	9.536
Total Assets		35.484	35.405
Liabilities & reserves			
Reserves			
General reserve	28	28.323	28.292
		28.323	28.292
Short Term Liabilities			
Creditors		77	71
Tax and social security	29	22	18
Other liabilities and accrued expenses	30	7.062	7.024
		7.161	7.113
Total Liabilities		35.484	35.405

STICHTING THE OCEAN CLEANUP
STATEMENT OF INCOME AND EXPENSES
AS AT 31 DECEMBER 2021

Eur000's	Note	2021	2020
Income			
Share of result of participations	31	(24.097)	(7.752)
Income from operations		24.128	8.168
Result		31	416
Appropriation of result			
Addition/(Release)			
General reserve		31	416
Dedicated funds		-	-
Result *		31	416

* 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			2021		2020
21 - Tangible fixed assets					
Opening balance			92		83
Investments in fixed assets during the year	Office and Facilities	67		40	
Total investments in fixed assets			67		40
Depreciation charge for the year	Office and Facilities	(45)		(31)	
Total depreciation charge			(45)		(31)
Closing balance			114		92
Purchase value	Office and Facilities	283		216	
Purchase value of tangible fixed assets			283		216
Accumulated depreciation	Office and Facilities	(168)		(124)	
Total accumulated depreciation			(168)		(124)
Closing Balance			114		92

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	1.962	2.448
Result from participations	(24.097)	(7.736)
Share premium contribution	24.000	7.250
Closing Balance	1.865	1.962

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

Name, registered office	Share in capital as %	2021 Closing balance
Fully consolidated		
The Ocean Cleanup Technologies B.V., the Netherlands	100	1.865
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 Guatemala S.A., Guatemala **	100	-

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

** Shares are held directly by The Ocean Cleanup Interception B.V.

Eur000's		2021		2020
23 - Current account group companies				
The Ocean Cleanup Technologies B.V. - Consolidated	17.543		23.506	
The Ocean Cleanup North Pacific Foundation	(414)		(169)	
		17.129		23.337

In 2021, 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	1.933		122	
		1.933		122

All debtors originated in 2021 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	1.111		308	
		1.111		308

26 - Tax and social security				
Value added tax	28		(36)	
Wage subsidy (NOW)	42		84	
		70		48

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 € 42.000 to be received for the 2021 year.

27 - Cash at bank				
EUR denominated cash	8.988		7.625	
USD denominated cash	4.274		1.911	
		13.262		9.536

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 2021.

Eur000's		2021		2020
28 - General reserve				
Opening balance	28.292		27.876	
Donations received	25.015		10.059	
Used for general projects	(24.984)		(9.643)	
		28.323		28.292

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

The general reserve as at 31 December 2021 and result for the year ended 31 December 2021 in the consolidated and company financial statements can be reconciled as follows:

	General reserve 2021	Results 2021
Company financial statements	28.323	31
The Ocean Cleanup North Pacific Foundation	7.027	640
Consolidated financial statements	35.350	671

29 - Tax and social security				
Social security payable	22		18	
		22		18

30 - Other liabilities				
Accrued liabilities	35		(3)	
Current account group companies	27		27	
Other payables	7.000		7.000	
		7.062		7.024

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	24.097		17.338	
		24.097		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 2021 included in the annual report

Our opinion

We have audited the financial statements 2021 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 2021 and of its result for 2021 in accordance with the ''RJ-Richtlijn 640 Organisaties zonder winststreven'' (Guideline for annual reporting 640 ''Not-for-profit organisations'' of the Dutch Accounting Standards Board).

The financial statements comprise:

- The consolidated and company balance sheet as at 31 December 2021
- The consolidated and company statement of income and expenses for 2021
- 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 organisations'' 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 organisations'' 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.

The Hague, 30 June 2022

Ernst & Young Accountants LLP

signed by R.J. Bleijs

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