2022
ANNUAL REPORT

THE OCEAN CLEANUP®

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Drone photo of sampling in the Pacific Ocean

WELCOME

Sunset on-board
System 002

With humanity continuing to face up to a series of pressing social, economic and environmental challenges, oceans, marine debris, and biodiversity all took their place on the global stage in 2022. Against this backdrop, we at The Ocean Cleanup took important steps toward the realization of our mission: to rid the world's oceans of plastic.

2022 was, after all, a year in which we reached a major milestone: the first 100,000 kg of plastic extracted from the North Pacific by our cleanup operations. More significantly, we also advanced our transition from System 002 toward our full-size System 03, preparing for the scale-up we need to make our Oceans activities a viable solution for cleaning the entire Great Pacific Garbage Patch. Elsewhere, in some of the world's most polluting rivers, we continued to successfully operate our Interceptor solutions and to deploy new ones, preventing yet more harmful debris from making its way to the ocean. As ever, our work on the ground was supported by our strong foundation of scientific research, enabling us to implement an iterative cycle of learnings and improvements and maximize our positive impact.

As set out in this report, the success of our organization – and of our mission – continues to depend on the dedication of our employees and the support of our partners, donors, and many other stakeholders around the world. Our thanks go to everyone who makes our work possible.

In the chapters that follow, we provide details of our activities during the year and the progress we made toward achieving our mission.

MILESTONE

100,000 KG

of plastic extracted from the North Pacific

OUR MISSION

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 oceans. As a non-profit foundation (ANBI stichting in the Netherlands), we are fully funded by external, mainly private, contributions and by the general public.

System 002

THE IMPORTANCE OF CLEANUP

Our research shows that 1,000 rivers account for nearly 80% of riverine plastic pollution flowing into the world's oceans: 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 offshore 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 gyre with the largest accumulation is known as 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. First, as an ocean garbage patch grows in volume, it poses ever greater entanglement and choking risks to marine life. Second, when the plastic fragments into smaller (micro)plastics, it further impacts the safety of marine life and the food chain, including our own.

Studies show that about 914 species (117 of which are considered endangered) have interacted with marine debris during their lifetime. Of these interactions, 92% are with plastic. 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 of individual pieces. 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. This toxicity passes up the food chain, eventually ending up in human diets. Floating plastic debris further enables invasive species such as coastal organisms to thrive in the open ocean, thus impacting the marine life that occurs naturally in ocean garbage patches.

What is more, according to a study conducted by Deloitte and The Ocean Cleanup, yearly economic costs resulting from marine plastic are estimated at USD 9–16 billion globally, affecting tourism, fisheries, and aquaculture, as well as coastal cleanups. This figure would be higher still if we had the data to measure the costs resulting from plastic's impact on human health and the marine ecosystem.

OUR PLAN

Plastic pollution is one of the greatest challenges facing humanity today. Complex and multifaceted, the problem requires a range of solutions both big and small – and it intensifies by the day, meaning we need to act urgently. To achieve clean oceans, The Ocean Cleanup is developing safe, scalable, and efficient methods to stop the continuous flow of plastic entering the oceans via the world's rivers, and to remove the plastic already floating in ocean garbage patches. By deploying a fleet of cleanup systems 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.

OUR SOLUTIONS

Oceans technology:
Preparing for scale-up

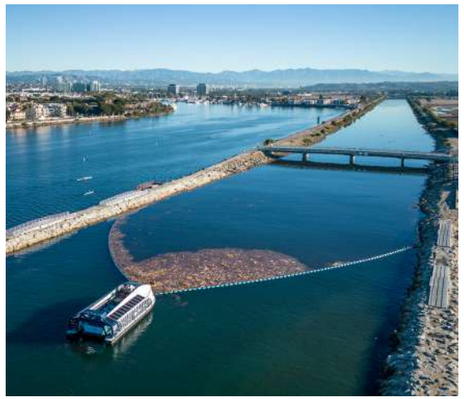
Since plastic in the ocean garbage patches is widely dispersed, our cleanup solution is designed to concentrate ocean plastics to such a level that they can be periodically extracted and returned to shore for recycling in vast quantities. Our concentration method mimics how plastic washes ashore in, for example, the Hawaiian archipelago: we maintain 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 once full.

Following years of scale model tests, design work, and prototyping, we launched our first ocean cleanup system, System 001, in 2018. Although it was unable to effectively retain plastic, it gave us valuable insights and learnings that we used to develop System 001/B. This was able to capture plastic, but 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 designing and developing the pilot-scale System 002, with which we made the transition from passive to active propulsion. Having completed two six-week missions in 2021, we proved 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 2022, we therefore embarked on the transition to System 03: a much larger system that we intend to be the blueprint for our eventual scale-up to a full fleet (see 'Project progress in 2022' for more details).

Photo of crew sorting out plastic on board of System 002

Rivers technology: Expanding our network



We also aim to capture plastic in rivers before it reaches the oceans – in other words, to turn off the tap while we mop up the spill. To do this, we have developed a family of Interceptor solutions. Our first and leading technology in this portfolio, dating back to 2019 and now in its third generation, is the Interceptor Original: an autonomous, solar-powered solution with smart processing, connectivity, and performance tracking. With a large cleaning capacity, it is designed for series production and 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. After adding two new solutions – the Interceptor Barrier and Interceptor Tender (which work in tandem) – to the family in 2021, we continued to grow our Interceptor portfolio in 2022 with the trial of the experimental Interceptor Trashfence in Guatemala (read more about it in 'Project progress in 2022'). Inspired by avalanche protection systems, this solution (specifically designed for waste capture in flash flood environments) took the form of a chain-link fence anchored to the riverbank and riverbed.

In 2022, we continued our efforts to expand our Interceptor operations in the world's 1,000 most polluting rivers. Following the deployment of two new systems in the USA and Jamaica, we had 10 Interceptor solutions operating across the globe by the end of the year.

Technology development

We aim to develop effective technologies that enable us not only to clean up our oceans but also to cut off the problem at its source. To achieve this, we follow a clear development process that helps us align funding with project needs. The five development phases of our technologies are as follows:

1. **Feasibility**. This phase is centered around ideation, research, and initial small-scale technology exploration, and includes defining the working principles of a project.

2. **Development**. Here we test the technology as a proven, working, full-scale concept within an actual operating environment. We also define the operating and business models.

3. **Validation**. In this phase, we confirm that the technology is fully functional and that we have established valid operating and business models for deployments to be scaled up.

4. **Scale-up**. During this phase, we begin rolling out proven solutions. This includes the corresponding operating and business models needed for the planned deployments.

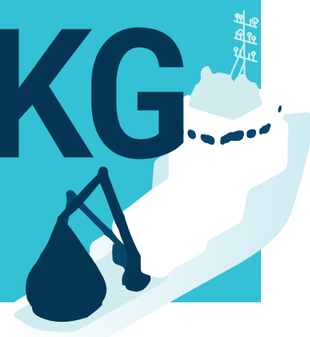
5. **Stability**. The final phase entails the continued outsourcing of operations (including maintenance and fine-tuning) to implemented systems, until cleanup is complete.

At the end of 2022, our Oceans and Rivers technologies both remained in phase three, Validation.

WE REACHED THE MILESTONE OF OUR FIRST

100,000 KG

OF PLASTIC IN THE GPGP



OCEANS

- TOTAL CATCH IN 2022

153,000 KG

99.7%

OF OUR CATCH (BY WEIGHT) CONSISTED OF PLASTIC

WE COMPLETED **8** TRIPS WITH SYSTEM 002 IN THE GPGP

RIVERS

- TOTAL VERIFIED CATCH

770,000 KG

10 INTERCEPTORS DEPLOYED WORLDWIDE

GUATEMALA

WE TRIALED THE EXPERIMENTAL INTERCEPTOR TRASHFENCE

2 NEW INTERCEPTORS

007 LA COUNTY USA

011 KINGSTON JAMAICA

KNOWLEDGE

- WE HAD 6 PEER REVIEWED ARTICLES PUBLISHED
- WE CONDUCTED OUR GROUND TRUTH EXPEDITION IN THE GPGP
- SOUTHERN INDIAN OCEAN RESEARCH
- 3 RIVERS RESEARCH
- NORTH ATLANTIC RESEARCH

ORGANIZATION / OTHER

(EG PARTNERSHIPS, AWARDS ETC)

- BOTH OCEANS AND RIVERS PROGRAMS IN THE VALIDATION PHASE
- FORMED 7 YEAR GLOBAL PARTNERSHIP WITH KIA
- RECEIVED CONSULTATIVE STATUS AT THE UN

139 EMPLOYEES

50% MALE, 50% FEMALE REPRESENTING 30 NATIONALITIES

PROJECT PROGRESS IN 2022

In this chapter, we provide an overview of the progress we made in five key areas during 2022.

OCEANS

It was another strong year for our Oceans operations, with the System 002 team completing eight cleanup missions in the Great Pacific Garbage Patch (GPGP) for a total plastic catch of 153,000 kg in 2022 (pending verification). This was a great achievement – but even more excitingly, in July, we also started implementing the transition to System 03.

System 03 on the horizon

This much larger cleanup system (at 2.5 km long versus the current 800 m) will give us greater efficiency in terms of both uptime and cost per kilogram of plastic removed, to the extent that we believe System 03 will be significantly more effective than System 002. A further important benefit is that this bigger system will also require fewer support vessels, which are currently the main carbon emitter in our operations. Our plan is for our first System 03 to become the blueprint for a whole fleet, capable of cleaning up the entire GPGP.

We are carrying out the transition in stages, thereby reducing the risks, allowing us to keep catching plastic as we go, and enabling us to analyze and learn from data at every step. By the end of 2022, we had successfully transitioned from System 002 via System 002/A (with a larger retention zone) to System 002/B (with deeper and more durable wings). The fact that our last four trips in 2022 brought in more plastic than the previous eight trips combined shows that these new components are consistently working well together. This is a promising sign for the upcoming shift to System 002/C (with longer wings), which we will be implementing before making the final step up to the full-size System 03 in 2023.

Continuous improvement

While progress is going well, there are always more lessons to learn and more challenges to overcome. We are working to address a variety of issues, such as the capacity of our vessels to sort a larger amount of plastic trash while operating continuously, and the need to improve our performance in terms of both emissions and cost per kilogram. Another important area of focus is our rate of incidental catch (that is, our non-plastic catch). In 2022, 99.7% of our total catch consisted of plastic, with the remaining 0.3% consisting of marine organisms. Although this is a strong result, we know it is not perfect: ideally, our Oceans operations would have no negative interactions with marine life. Our rate of primary incidental capture (i.e., organisms that were directly captured by our operations) has nevertheless fallen compared to 2021 (0.38%) despite a higher plastic capture efficiency, which we believe demonstrates that our continuous cycle of learnings and improvements is having a positive effect (for more details, see ‘Environmental and social affairs’). We will continue to carry out research and redesigns to help us increase the net benefit to ocean species as part of our System 03 transition.

Once this blueprint system is up and running and has been validated during offshore testing, we will be able to move into the Scale-up phase of our Oceans technology development process – bringing us an important step closer to realizing our cleanup ambitions.

System 002 extraction mission

RIVERS

Our Rivers operations, although still in the Validation phase, matured steadily during 2022. With two successful new deployments, the total number of operational Interceptors had reached 10 by the end of the year, for a combined annual catch of 894,380 kg of waste, of which 770,197 kg has been verified by independent expert DNV. The team also faced several challenges, with the resulting learnings nevertheless putting The Ocean Cleanup's Rivers activities in a stronger position for the future.

Deployment update

We started the year with the aim of deploying 15 new Interceptors at various locations around the world. Several months in, however, it became clear that our plans were too ambitious. Not only is every river different, demanding different technical and operational solutions, but the surrounding infrastructure – from governance to laws; logistics to waste management – also varies greatly from place to place, meaning that the set-up for one river intervention cannot usually be (easily) recreated elsewhere. We therefore decided to scale back our plans to focus on nine new projects over the coming years, giving us a better chance of successful implementation.

Two of these deployments were achieved in late 2022. We launched Interceptor 007 in Los Angeles County, USA, in October, accompanied by a live online event celebrating our partners and crew members. Excitingly, our third-generation Interceptor Original model proved to be a perfect fit for this environment, with its V-shaped barrier providing 100% river coverage. Its positive impact on visible pollution at the adjacent Playa del Rey and Venice Beach was soon clear even to the naked eye. Following this success, we launched Interceptor 011 in December, our fourth Interceptor Barrier solution (after 008, 009, and 010) at Kingston Bay in Jamaica, working in tandem with an Interceptor Tender. The gully system offers us a rare opportunity to capitalize on the synergies that come from working within the same infrastructure for multiple deployments.

Our other existing Interceptor projects – 001 in Indonesia, 002 and 005 in Malaysia, 003 in Vietnam, and 004 in the Dominican Republic – continued to operate successfully throughout the year. Our goal in 2023 is to add more new deployments, including one in the Chao Phraya river in Thailand, the site of an ongoing research project (see 'Research' for more information). We will also keep working to strengthen our relationships with partners, in preparation for moving to the Scale-up phase of our Rivers activities.

Trialing the Interceptor Trashfence

Elsewhere, we attempted a third new deployment – Interceptor 006 – in Guatemala. We saw the Las Vacas river, which experiences trash tsunamis during the rainy season, as a prime candidate for a new solution in our portfolio: the Interceptor Trashfence (see 'Rivers technology'). We accordingly set up a trial in 2022, but while the fence itself held up well against huge volumes of water and trash, it proved impossible to securely anchor the Trashfence in the deep silt of this particular riverbed. Subsequently, due to the damage it suffered, it was removed from the site. In 2023, we have continued to explore options to tackle pollution in the Las Vacas, which we believe to be one of the world's most polluting rivers. Given the river's complexity, our adapted approach will likely involve the use of multiple solutions at different points along the river. Meanwhile, we will also investigate other possible sites or functions for the Interceptor Trashfence.

Interceptor 007, Los Angeles County, USA

Interceptor 007 — barrier deployment

RESEARCH

Scientific research underpins all we do at The Ocean Cleanup. We recognize that, to achieve our mission, we need to understand the problem to efficiently tackle it, which we do by taking into account new information and acting on it iteratively. We are proud to be part of a global scientific community that is working to develop solutions for ocean plastic pollution. In 2022, we published six peer-reviewed articles in leading scientific outlets and participated in ten conferences and panels around the world, including the 7th International Marine Debris Conference in Busan (South Korea) in September. We also continued our research in support of our Oceans and Rivers operations, as set out here; for more details of our research into environmental topics, see 'Environmental and social impact'.

Harnessing remote sensing

In August 2022, we gathered data in the field through our so-called Ground Truth Expedition in the North Pacific. The aim was to 'ground truth' our remote sensing technology by comparing the data from automated methods with the data from our in-situ monitoring alternatives. In practice, this involved operating six continuously recording cameras and a tethered drone simultaneously with two trawling nets. Our focus is now on using the results to validate the effectiveness of our automated debris imaging system (ADIS), using edge computing technology as a more efficient alternative to our original manual set-up, which was time consuming and data intensive. By the end of the year, the proof-of-concept phase for the necessary hardware and software improvements was underway and progressing well.

In 2023, we will finish scaling up to the second generation of ADIS cameras as we continue our Oceans research in the GPGP. We also aim to compile several years' worth of data from our System 002 operations into a major update to our landmark 2018 publication.

Beyond the GPGP

We also expanded our geographical horizons in 2022, carrying out a research mission to the garbage patch in the Southern Indian Ocean – a site that, according to our models, contains a large accumulation of plastic. Using trawls, remote sensing, and on-deck observers, we conducted an initial survey of plastic and marine life at the ocean surface, and we intend to continue our research in the years to come.

Meanwhile, we are also investigating plastic pollution in the North Atlantic, publishing a research paper in August 2022 that sets out our 2021 findings on microplastic levels. We plan to return to the North Atlantic in late 2023 to build on these initial results. These data from different parts of the globe not only add to the scientific community's collective body of knowledge about plastic in marine environments but also help us at The Ocean Cleanup prepare for future interventions in locations other than the GPGP.

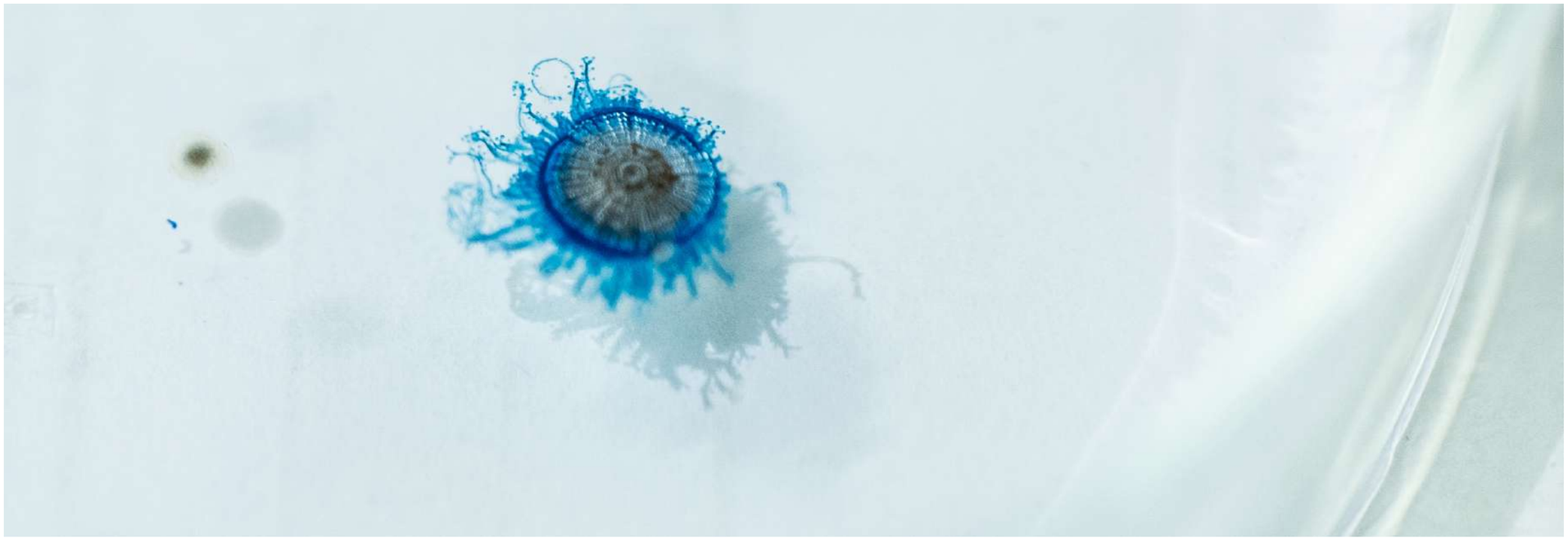


Photo of plastic residue during sampling process

Getting to grips with fishing waste

As we address the challenge of cleaning the world's oceans, we also need to tackle the problem at its source.

The riverine emissions we aim to stop with our Interceptor solutions are the biggest culprit globally, but new research we published in September 2022 highlights the significant contribution of offshore fishing and aquaculture activities to the accumulation of plastic in the North Pacific. Through careful analysis of our 2019 catch from System 001/B, we found that several major fishing nations (including the USA, China, Japan, and Korea) are the principal producers of this abandoned fishing gear – waste that accounts for at least 75% of the plastic mass floating in the GPGP.

While our findings are alarming, the good news is that, if the right policies and practices are implemented in the fishing industry, the problem of waste fishing gear can be greatly reduced. The Ocean Cleanup will continue to investigate the types and origins of this plastic, as well as working with relevant parties to bring about the necessary regulatory and behavioral changes to cut off the pollution at its source.

Deeper insights into rivers

Away from the oceans, we worked with local partners to implement three new river surveys at the Ozama in the Dominican Republic, the Chao Phraya in Thailand, and the Umgeni in South Africa – all of which appear on the list of the world's 1,000 most polluting rivers. With differences in terms of rainfall, latitude, and population, these rivers are a valuable target for our comparative research, as we explore different riverine environments and contexts.

We followed a similar approach to that of our Oceans research, combining camera imagery from our River Monitoring System (RMS), information from floating GPS devices, and riverbank hotspot mapping. Full analysis of the results is still ongoing, but our work has already brought to light important insights into the impact of seasonal patterns on the behavior of different rivers and on the amount and flow of the plastic they contain. In 2023, we will use these data to update our Global River Model, the tool used by our Rivers team to assess prospective river targets and carry out strategic planning. Meanwhile, we will begin to conduct in-situ monitoring at the Chao Phraya, using trawling nets and bridge-mounted cameras.

CATCH MANAGEMENT

The goal of our Catch Management team and activities is twofold: to make sure the plastic we extract from rivers and the ocean does not find its way back into the environment, and to create value from this catch. We create this value in three ways: first, by treating the plastic as a wasted resource that can be given a new life; second, by monetizing our catch to fund our ongoing mission; and third, by using our operations to engage with and support different stakeholders. In 2022, as we started to capture more plastic and prepare for scale-up, we strengthened our Catch Management team, welcoming two new members on the Rivers side and three on the Oceans side.

Turning trash into treasure

Having sold out our The Ocean Cleanup sunglasses early in the year, we decided to revise our strategy based on the lessons learned during the process. Rather than continuing to commercialize products ourselves, we will in future team up with brand partners to repurpose our plastic in their products. Accordingly, in April 2022, we signed a seven-year agreement with the automotive company Kia Corporation. Kia is supporting The Ocean Cleanup's Oceans and Rivers projects with funding and in-kind contributions and will also support our mission by repurposing the plastic harvested by our operations into its value chain. In 2022, we began working with Kia's Research & Development team to identify the best ways to give our ocean plastic a useful second life. We hope to conclude this process in 2023, as well as working to set up other, similar, brand partnerships.

Meanwhile, having been brought ashore in Canada and certified under the DNV Chain of Custody, our 2021 and early 2022 haul of ocean plastic made its way to Europe, arriving in late 2022. We worked with two recycling partners in the Netherlands and one in Denmark to recycle this trash. This was our first large volume of plastic catch, and the process was an important learning opportunity for us, with 20 of our Rotterdam colleagues even helping to sort the plastic at a local recycling facility.

A different set of challenges

Worker extracting plastic

While The Ocean Cleanup is legally the owner of (and responsible for) the plastic we bring back from the GPGP, the situation is very different for our Rivers operations. In these cases, our local operating partners are responsible for waste management with regard to the intercepted plastic, and we play more of an advisory role. An additional challenge is that there is no one-size-fits-all solution – we work with different partners and within different legal and societal frameworks from one river to the next. It is also clear that our Rivers catch has a vastly different composition from our Oceans catch: while the latter is almost entirely made up of high-density polyethylene (better known as HDPE) and polypropylene, the former is extremely heterogeneous. Our Rivers operations capture a broad range of materials, including many different types of plastic but also a high volume of organic waste. If no composting facilities are available or if there are contamination concerns, this organic waste often ends up in landfill sites.

We therefore always aim to work closely with local partners to ensure that our Rivers catch is handled in the best possible way. In 2022, for instance, we carried out two waste management feasibility studies to find solutions to redirect the waste from landfills at our Rivers sites in Malaysia and the Dominican Republic, with preparations for solutions now underway. We are also conducting pilots in other locations to establish more responsible waste management methods, and our work on this important topic will continue throughout 2023.

Photo of CEO, Boyan Slat during the launch event of Interceptor 003

FUNDING AND PARTNERSHIPS

Our partners are central to the execution of The Ocean Cleanup's strategy and the achievement of our mission. These partnerships are about value creation for both sides. We rely on not only the funding but also the knowledge, expertise, in-kind materials, and networks provided by our corporate, cultural, academic, and local partners. In turn, we offer 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.

Key developments in 2022

As was the case across our organization, 2022 was a year of scale-up preparation for our Funding team. We continued to focus on building strong relationships with existing and new partners, so we can ultimately support our scaled-up operations with the scaled-up funding we need. The year proved to be our most successful yet in terms of both one-off funding and multi-year commitments. Long-term partnerships are particularly important in allowing us to plan for the future of our organization.

Our funding highlight in 2022 was the signing of a major global partnership with Kia (see 'Catch management'). In early 2023, we announced that The Ocean Cleanup had received its largest-ever private donation: USD 25 million from Joe Gebbia, co-founder of Airbnb, to American Friends of The Ocean Cleanup, Foundation (a US 501(c)(3) organization), which in turn contributed this as an unrestricted grant to The Ocean Cleanup. As an unrestricted donation, this money can be allocated across our Oceans, Rivers, Catch Management, and Research teams, allowing us to put it to good use wherever it will make the most difference.

We believe that our record funding performance in 2022 can be attributed to two main factors. First, the efforts we have made in recent years to raise our profile and attract a wider donor base are clearly starting to pay off. Second, we can look to the ever-increasing success of our technologies: now proven, they are triggering growing interest upon which we can capitalize when reaching out for support. In 2023, we aim to keep harvesting the seeds we have sown.

Institutional and academic partnerships

Meanwhile, The Ocean Cleanup also continues to work closely with an array of academic and research partners around the world, most often universities located close to our sites of operation. These collaborations are vital to upholding high scientific standards in our work. In 2022, the institutions we partnered with included:

- Wageningen University & Research
- Utrecht University
- TU Delft
- University of Oldenburg
- Royal Netherlands Institute for Sea Research
- Hawaii Pacific University
- INTEC (Instituto Tecnologico de Santa Domingo)
- Chulalongkorn University
- University of KwaZulu-Natal
- Université de la Réunion

Rio Motagua, Guatemala

ENVIRONMENTAL AND SOCIAL IMPACT

In everything we do at The Ocean Cleanup, our goal is to maximize the net benefit we bring – including to the environments and communities where we operate. Our Environmental & Social Affairs team plays a key role in this regard, both by supporting the execution of our Oceans and Rivers projects and by growing our knowledge of relevant environmental and social issues. In 2022, we maintained our strong focus on understanding the potential risks our interventions may pose and on mitigating any adverse impacts.

PROJECT SUPPORT

Our Oceans activities are founded on thorough environmental impact assessments (EIAs), which we perform – voluntarily – in partnership with CSA Ocean Sciences whenever we make changes to our technology. We then identify potential risks before creating an environmental management plan (EMP) to mitigate these risks as much as possible, keeping in mind our aim to maximize our overall net environmental benefit.

During our operations, meanwhile, we use on-board cameras to monitor the retention zone for signs of marine life becoming caught in the system, with the footage checked by independent protected species observers (PSOs) provided by CSA Ocean Sciences. We typically have three PSOs on board our vessels for every mission; our own team is also trained in marine mammal, bird, and turtle observation.

If a protected species – in the case of our operations, usually a turtle – is seen entering the retention zone, we first monitor to see whether it can swim out by itself. Otherwise, we can either send team members to the retention zone in a small boat to free the animal or perform an emergency extraction and subsequently return the animal to the water. The third option, always available in an emergency, is to perform a 'quick release' of the retention zone, meaning we lose the accumulated plastic but free any marine life. However, we do all we can to ensure that protected species interactions are extremely rare: our system's low speed, the lights and acoustic signals we use to deter marine life from approaching, and the system's dedicated escape routes and breathing hatches continue to prove effective.

In 2022, we made an addendum to our System 002 EIA as we began the transition to System 03, as well as continuously improving our EMP based on our offshore learnings. We also worked on the cleanup system itself to improve its design from an environmental safety perspective; for example, we increased the size of the escape openings in the retention zone and added more breathing hatches to make it easier for marine life to swim out of the system and/or reach the ocean surface to breathe.

Plastic catch on System 002

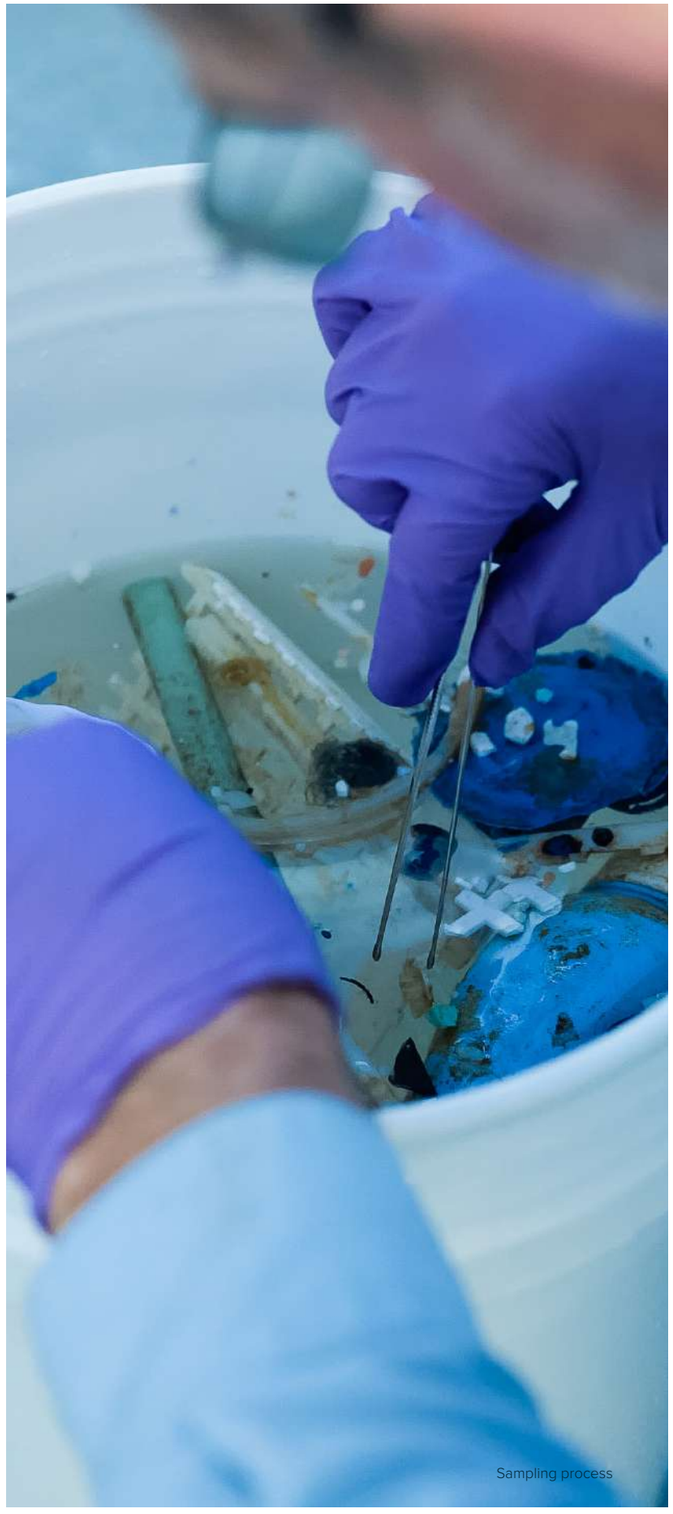
On the Rivers side, we work with our partner Arcadis to conduct environmental and social impact scans (ESISs) at new sites. This is a complex process, with results that can vary strongly between rivers and jurisdictions. ESISs include an evaluation of stakeholder mapping, permitting, and impacts on people and the environment, forming the basis of an EMP that focuses on monitoring our catch and interactions with the wider ecosystem, usually in partnership with a local consortium.

In 2022, based on all we have learned so far, we expanded our approach from 'doing no harm' to also 'doing good'. Our Environmental & Social Affairs team increased its focus on social impacts alongside the environmental impacts at the core of our mission. We grew our positive impact on the communities around us by partnering with local organizations, hosting school visits, and carrying out other initiatives to raise awareness about the problem of riverine plastic pollution. Furthermore, we set up a task force to perform a thorough cost-benefit analysis of our cleanup operations, starting with our Oceans operations in 2023, followed by the Rivers operations in 2024.

ENVIRONMENTAL RESEARCH

We continued our research into neuston populations – a group of species living at the ocean surface – in the Great Pacific Garbage Patch (GPGP) during 2022. Relatively little is known about these species, so, in line with our aim to create healthier oceans, we have always taken very seriously our responsibility to investigate these populations and our operations' potential impact on them. Having explored the link between floating plastic and neuston in the GPGP in 2021, we gathered more data on the nature, distribution, and seasonality of these neuston species throughout 2022, to understand how we can best avoid disturbing the neuston and prevent them ending up in our plastic catch. The samples taken throughout 2022 are currently being analyzed, and we aim to publish our findings in an open-access peer-reviewed journal. 2022 also saw us establish a research collaboration with the Center for Marine Debris Research at Hawaii Pacific University to investigate the extent of plastic ingestion by fish and sharks in the GPGP.

Meanwhile, we worked with the US National Oceanic and Atmospheric Administration (NOAA) to accelerate research into the activities and health of turtle populations in the North Pacific, by using the data collected during our missions to provide valuable insights into turtle interactions with ocean plastics. During our 12 System 002 missions so far, we have had encounters with 47 turtles. On nine occasions, a turtle was sighted outside the system and either moved away by itself or was avoided by changing the course of the vessels. On one occasion, our team encountered a turtle outside our system that was entangled in fishing nets, and intervened to cut the animal loose. The majority of turtles either swam free or were rescued from the plastic catch by our teams, but five turtles were either confirmed, or considered likely, to have died inside our cleanup system. On-board necropsies showed each of these five was already sick or weak, likely as a result of the plastic found in each of their stomachs. We see this as yet more evidence of the urgent need to tackle plastic accumulation in the GPGP, and these experiences make us more determined to scale up our cleanup activities in a responsible way, in line with our goal of creating a positive net benefit for ocean environments.



Sampling process

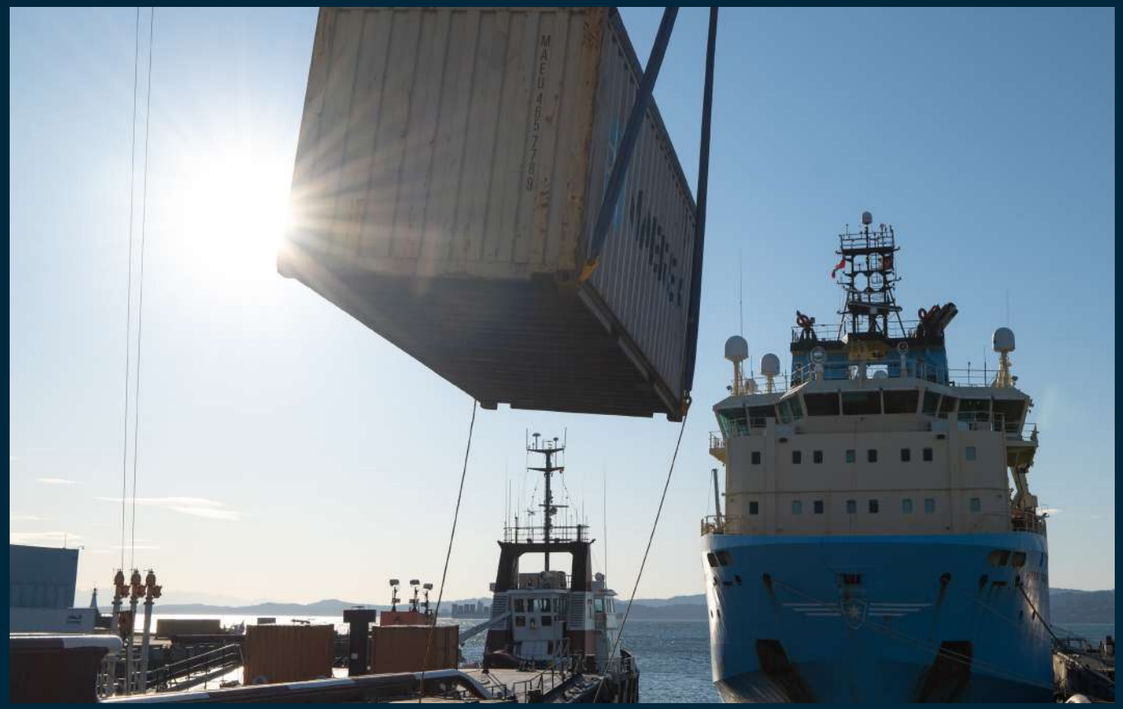
EMISSIONS

We aim to minimize the impact of the greenhouse gas emissions we generate across our organization – in everything from our ocean and river interventions to our office and travel activities. To do this, we first need accurate data. We therefore work with South Pole to quantify The Ocean Cleanup's emissions. The total emissions for 2022 should be known by mid-2023.

Our goal is to reduce our emissions every year, while offsetting those that remain using carbon credit programs, eventually reaching net zero. Nevertheless, we acknowledge the criticisms facing carbon offsetting practices, and our team is discussing alternative paths toward climate neutrality, taking into account our ambitious scale-up plans. For now, we believe offsetting is the best option. In this way, we can carefully select the projects we want to support, avoiding controversial reforestation projects and instead choosing those with a link to water, in line with our mission.

System 002 towing boat

OPERATIONAL APPROACH



QUALITY, HEALTH, AND SAFETY

The Ocean Cleanup is committed to a continuous learning approach to all our operations. We take care to question our ideas and assumptions and take on board previous learnings when designing new iterations of our technologies and planning new missions. For many years, we have had in place a legally binding Covenant with the government of the Netherlands, which not only provides a framework for our offshore operations under the highest regulatory standards but also sets a strong example for other parties carrying out activities in international waters, especially in light of the UN's new High Seas Treaty.

In all matters, the health and safety of our team is our top priority – not only in and of itself, but also as a means of maximizing our chances of successfully achieving our goals. We therefore work with reliable, reputable partners who are aligned with and enhance our approach to safety; for example, our ocean-going crews continue to benefit from Maersk's health and safety expertise. In 2022, we continued to comply with all remaining COVID-19 restrictions in the locations where we operate. We once again recorded no health and safety incidents or injuries during the year.

RISK MANAGEMENT

Our comprehensive, systematic risk management approach prioritizes 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, as well as 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 Leadership Team to ensure awareness and ownership. The sub-committee shares its findings and actions with the Leadership Team, which discusses our risk appetite and the extent to which risks are accepted in order to further our mission.

This table sets out the nature, impact, and likelihood of the risks we identified to our overall mission for the year 2022, as well as The Ocean Cleanup's risk appetite for each.

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

We also undertake a separate risk analysis for each of our projects, monitored by the project lead. For example, in our Oceans technology development, we follow a Failure Mode & Effect Analysis (FMEA) approach. At each development step, the risk of technology failure is reassessed, with the aim of reducing the overall cumulative risk of technology failure. This provides clear guidelines for prioritizing measures, investigations, testing, and improvements, so we can reduce the overall risk in the shortest possible time.

OUR ORGANIZATION

At the end of 2022, The Ocean Cleanup comprised 139 employees, including 121 full-time staff, together representing over 30 nationalities. Our Oceans, Rivers, Research, Catch Management, Funding, and Environmental & Social Affairs teams work hand in hand with several other essential functions and departments. Together, these driven and talented individuals are dedicated to realizing our mission of ridding the oceans of plastic.

The Ocean Cleanup is headquartered in the Netherlands, but as we have grown we have become a truly international project. The key motivation required to join our team – the desire to clean our oceans – crosses all boundaries of nationality, gender, cultural identity, age, and background, allowing us to establish a crew of driven individuals from all around the world and from all walks of life. We celebrate the inclusive nature of our team and benefit from the variety of unique skills and capabilities they bring to our mission.

GLOBAL PUBLIC AFFAIRS

GPA is the primary representative for The Ocean Cleanup in various international public affairs contexts, fulfilling the roles of spokesperson and relationship manager. GPA's key responsibilities encompass a wide range of areas, including:

Government affairs: GPA oversees interactions with governments, primarily addressing all topics related to Oceans, leading engagement on institutional funding (including state-funded grants, through the coordination of the Grants Task Force) and with development agencies (e.g., USAID, NORAD, European cooperation agencies, KOICA), and overseeing policy discussions (including river-related issues impacting marine plastic pollution). Additionally, GPA manages The Ocean Cleanup's engagement with foreign embassies in The Hague and our relationship with the Dutch Government, in particular in relation to the Covenant.

International organizations: GPA exclusively leads and manages all engagement, membership, or affiliation with regional organizations like ASEAN, APEC, AU, EU, and the entire UN system, in addition to the WTO, OECD, IUCN, and multilateral development banks (including GEF).

Like-minded institutions: GPA, in coordination with the Head of Environmental & Social Affairs, engages with organizations with a global presence that are dedicated to environmental conservation or combating plastic pollution, such as Ocean Conservancy, Minderoo Foundation, WWF, Greenpeace, Ellen MacArthur Foundation, Oceans 5, Oceana, International Chamber of Commerce, GPAP (WEF), and Fondation de la Mer.

In 2022, the Global Public Affairs (GPA) team worked on clarifying its work, goals, and scope. This included establishing the foundation for the 2023–2025 Global Public Affairs Action Plan. The team invested much of its time in increasing the visibility of The Ocean Cleanup within the 'Blue' community by participating in global conferences and frameworks, as well as by activating international networks to strengthen collaboration with governments, international organizations, and like-minded institutions.

One highlight took place in June at the UN Ocean Conference, where The Ocean Cleanup hosted an event entitled "Public–private partnerships to share knowledge and resources for impactful solutions to address marine pollution." September saw the UN Economic and Social Council grant us Consultative Status, giving us a voice and a role in formal deliberations with UN bodies, non-governmental organizations, and member state governments, and enabling us to share our knowledge and data on plastic pollution in oceans and rivers. Finally, in December, we submitted an official statement to the first meeting of the Intergovernmental Negotiating Committee (INC-1) for the UN Plastics Treaty. With two further negotiation rounds planned for 2023, The Ocean Cleanup will continue to make its voice heard in these important discussions.

LEGAL & PUBLIC AFFAIRS

The Ocean Cleanup Legal team has the most interfaces throughout the organization, establishing dialogues and smoothing various teams' parallel journeys toward our mission. From our Rivers and Oceans programs to our other internal teams, the Legal department proactively guides the crew on practices, processes, laws, and regulations to ensure that the organization consciously takes the best, most responsible decisions. In 2022, the Legal department developed a new House of Policies: a series of policies to guide the crew's behavior according to the values of The Ocean Cleanup.

Beyond our own organization, 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: key partners from national and local governments to local stakeholders and multinational corporations like Kia. Within a constantly evolving legal and regulatory landscape, the Legal department works with precision and rigor to enable the organization to achieve its mission. Against this background, the Legal team is progressively taking over responsibility for government affairs concerning river-related projects, working in close coordination with the Rivers team. Legal oversees all aspects of regulatory engagement, including managing relationships with institutional stakeholders such as national and local governments and public administration at all levels.

In 2022, the Legal team played a crucial role in our main Rivers deployments, developing contracts with a series of suppliers, local stakeholders, and government entities. It was also responsible for all regulatory mapping in each location and for understanding the laws, rules, and regulations relevant for determining our obligations as an organization and finding the best paths for our deployments. Our new Interceptors in Jamaica in January, Guatemala in May, and the USA in October were all successfully deployed from a legal perspective. In addition, in November, the Legal department and GPA were responsible for the signature of a Joint Declaration between The Ocean Cleanup, the Dutch Government, and the Indonesian Government. Signed in Bali during the G20 conference, the document represents a milestone for future Interceptor deployments and marks a joint effort to combat marine plastic pollution.

In Oceans and Research, meanwhile, the Legal team played an essential role in 2022 in fulfilling the organization's obligations under our Covenant with the government of the Netherlands. The department also provided crucial legal advice during interactions with key suppliers for the maintenance and improvement of System 002.

Right: System 002 extraction trip catch

PEOPLE & ORGANIZATION

In 2022 the main focus of our People & Organization department in 2022 included the following:

Sustainable Growth of our workforce: At the close of the year, our workforce comprised approximately 121 full-time equivalents (FTE) and a total of 139 dedicated individuals, including all employee, contractors and interns. This growth from 109 full-time equivalents and a total of 124 employees in 2021 reflects our unwavering commitment to increasing our capacity and mobilizing diverse expertise to dedicate to our mission.

Fulfilling key leadership roles via Internal Mobility: In 2022, we proudly recognized the outstanding capabilities and dedication of our team members through a series of significant internal promotions. We are pleased to announce that key leadership roles, such as the Ocean Director and the River Director, were fulfilled by our own people via internal career moves. These promotions not only serve as a testament to the exceptional expertise within our organization but also reinforce our commitment to nurturing talent and providing clear career paths.

Listening to the insights and voices of our crew: Our people are at the heart of The Ocean Cleanup's success, and nurturing their well-being is paramount. In the past year, we conducted an extensive employee survey, the insights of which have enabled us to implement targeted initiatives and foster a more supportive work environment. By investing in the growth and satisfaction of our team members, we enhance collaboration, innovation, and collective impact.

Expanding Our Global Presence: We prepared the opening of our Kuala Lumpur office, which will serve as a pivotal hub for our operations in the Asia-Pacific region – a vital location for our mission. This expansion represents a significant milestone as we extend our global presence, forge new partnerships, and collaborate with local stakeholders.

Harnessing our innovation capability through the Power of Diversity: The Ocean Cleanup values and celebrates diversity as a fundamental driver of innovation and success. Our organization prides itself on fostering an inclusive work environment that embraces individuals from over 30 nationalities. This diverse tapestry of cultures, backgrounds, and perspectives fosters a rich exchange of ideas, fuels creativity, and enhances problem-solving capabilities. We are especially proud of achieving a remarkable gender balance, with an equal representation of men and women across our various roles and departments. By valuing and harnessing the power of diversity, we empower our team to tackle complex challenges with ingenuity and resilience.

Photo of crew working onboard

FINANCE

In 2022, we continued strengthening our Finance team to ensure reliable and efficient financial governance and oversight throughout our organization. Our new Chief Financial Officer (CFO), Stacey Santoso, has taken her place in the Management Team to build processes and governance that ensure we manage our resources responsibly, as well as strategically allocating our funding to create maximum impact in all aspects of our organization.

The Finance team also successfully led and implemented more rigorous processes concerning financial budgeting and forecasting, cash flow management, and cost control to make sure we exercise the utmost care in handling our funding and donations.

DATA & IT

The Ocean Cleanup is dependent on reliable and high-functioning technology and data services in order to conduct our operations and manage our organization. In 2022, the main goals of the Data & IT team were to further assist our transition to a truly data-driven organization by maintaining and improving our lean IT infrastructure, while continuing to improve our security processes (following a risk-based approach) and compliance.

In 2022, we implemented a new governance structure to ensure that our IT resources are allocated to projects with maximum impact. Accordingly, we began the process of consolidating and simplifying our IT landscape to reduce our costs and increase effectiveness. We also made changes to the way we outsource our IT workplace management, which was reformed into an integrated service.

Data & IT also helped develop systems for our operations during the year. In Oceans, this meant increasing the reliability and effectiveness of the various reporting and monitoring systems on System 002, as well as supporting the camera skiff with diagnostics and bandwidth improvement. This contributed to our efforts to identify protected species and mitigate our environmental impact. Meanwhile, the team supported Catch Management by digitalizing the administration of our catch during port calls – reducing time and increasing data quality. With our Research team, Data & IT worked on AI image recognition to improve the quality of our scientific results. Finally, the team developed a new donor management platform and improved our procurement systems.

In 2023, the Data & IT team will consolidate this progress, growing alongside the organization and providing innovative and data-driven contributions to our operations and scientific research. The team will continue to provide structure and support to The Ocean Cleanup as we prepare for scale-up.

Ground Truth Expedition preparations

SUPPLY CHAIN

The Supply Chain team was challenged in 2022 by unreliable supply chains and highly complex logistics operations. Highlights included transporting an Interceptor from the manufacturer in Malaysia to its deployment site in Los Angeles County, finding alternative solutions for delayed barrier components, and mitigating potential risks for the production of System 03 in Lithuania. Through thorough market research, risk analysis, sourcing activities, and project implementations, the team continued to upscale its capabilities and enabled successful sourcing processes across the organization.

COMMUNICATIONS

As the ‘marketing’ function at The Ocean Cleanup, the Communications department focuses on positioning the organization as an attractive charity worldwide to enable us to attract the right resources (in terms of both talent and funding). Sharing the stories of how we are helping to tackle ocean plastic pollution with our global community is central to our approach.

The biggest event of the year in 2022 was the deployment of Interceptor 006 – the Interceptor Trashfence in Guatemala in May. The video of our (unsuccessful) attempt to stop the first trash tsunami of the annual rainy season broke all our communications records and, with 3.8 million views on YouTube, is still gaining traction among viewers around the world. We have high hopes that our new approach to Interceptor 006 in 2023 will help to build on this communication success and continue to attract immense positive support for our efforts to rid the world’s oceans of plastic by intercepting debris in highly polluting rivers.

A second significant event in the Rivers program was October’s deployment of Interceptor 007 in Ballona Creek, Los Angeles County. To build anticipation, we livestreamed the Interceptor being towed from Long Beach, where it had been stored at the US Coast Guard Station while awaiting deployment, along the California coast to its operating location in Ballona Creek. During the livestream, we answered questions from viewers and provided detailed updates on our various projects via live connections to multiple locations around the world, including the Great Pacific Garbage Patch (GPGP). Southern California’s 2022–2023 storm season happened to be both early and very wet, meaning we were able to catch and share spectacular images of the first flush of trash that our Interceptor prevented from reaching the Pacific Ocean and nearby beaches.

After a difficult start, this deployment at a high-visibility location (only minutes away from LA International Airport) has become iconic, providing the first real demonstration of “dirty river in, clean river out” – our mantra for what we want to achieve with our Rivers operations. Communications on Interceptor 007 have continued to perform strongly, as has the Interceptor itself.

Turning to our Oceans work in 2022, we continued to document System 002’s progress and performance. One of our most important contributions has been recording our trash extractions from the GPGP; as these are so frequent and appeal to large numbers of people, they have helped us convince the world that we are able to repeatedly remove large quantities of plastic from the ocean. Highlights from our Oceans reporting during the year included the announcement that we had passed a landmark 100,000 kg of total catch from the GPGP, and our explanation of how we plan to migrate from System 002 to System 03 in the summer of 2023.

Over the course of 2022, The Ocean Cleanup increased its social media following from 2.2 million to nearly 4 million, entirely as a result of organic growth. Even with this continued growth, we consistently maintain our average engagement level across all channels at a rate above 5%. For us, this is the most important indicator that our message and mission not only reach but also continue to inspire people all over the world.

Film crew preparing for the launch event of Interceptor 007

GOVERNANCE

The Ocean Cleanup’s Management Team is led by Founder and Chief Executive Officer (CEO) Boyan Slat.

Complying with the recognized two-tier corporate leadership structure for European businesses, the Management Team operates separately from the Supervisory Board, whose role is to advise and act as a sounding board for the Management Team, as well as holding management accountable for all major decisions (which can only be implemented with Supervisory Board approval). By law, the Supervisory Board consists of a minimum of three (3) individuals. These members do not receive compensation but are reimbursed for actual expenses. In 2022, the Supervisory Board was made up of Bert Bruggeman, Jaska de Bakker, Frederik Gerner, and Chris van der Vorm, with Feike Sijbesma as Senior Advisor to the Supervisory Board and Management Team.

The Ocean Cleanup remains the sole member of a US-based 501(c)3 foundation, ‘American Friends of The Ocean Cleanup, Foundation’ (known until December 2022 as The Ocean Cleanup North Pacific Foundation). American Friends of The Ocean Cleanup is governed by the US Board of Directors, consisting of Carl van der Zandt (Secretary), Mark Hawkins, USCG Vice Admiral Rob Parker, Boyan Slat (President & Chairman), and Joy Gao (Treasurer). As of January 1, 2022, the US Board of Directors has increased its control and discretion in the allocation of donations received by American Friends of The Ocean Cleanup. The Ocean Cleanup does not control American Friends of The Ocean Cleanup; however, the two foundations continue to maintain a close working relationship in order to jointly realize the mission of ridding the world’s oceans of plastic.

THE PLAN FOR 2023

Our Oceans team’s top priority is to complete the transition to System 002/C and then to System 03, the 2.5 km-long cleanup system that we intend to become the blueprint for our eventual fleet. Along the way, we will continue to carry out research that will enable us to optimize our technology, minimize disruption to ocean habitats, and grow our collective body of knowledge around these remote marine environments and their inhabitants.

In a wider context, the year began on a positive note with the signing of the so-called High Seas Treaty: a historic deal under which UN member states have agreed to new measures to protect marine life and environments. We at The Ocean Cleanup welcome this leap forward and will use it as momentum for our work throughout 2023 and beyond.

In Rivers, we intend to continue expanding our network of Interceptors, capturing trash and monitoring data around the world to begin the process of eliminating plastic emissions into the ocean. Research will also continue to play a central role in our Rivers projects, helping us gain a better understanding of the varied challenges posed by different rivers and jurisdictions and supporting the launch of new Interceptor deployments. Our focus will remain on founding and strengthening relationships with the local partners whose cooperation and motivation we rely on to make our interventions a success.

Meanwhile, 2023 will be another year of preparing for scale-up for our Funding and Catch Management teams, as they work to ensure we have the right infrastructure in place to grow our impact and create the greatest possible value through our actions. We have already announced the news of our largest ever private donation – USD 25 million from Airbnb founder Joe Gebbia – and we hope to share details of more exciting partnerships in the months to come.

During the year, we will also use our position to advocate for plastic-free oceans at fora such as the negotiations on the UN’s future Global Plastics Treaty. Our growing global role is widening our access and allowing us opportunities to share our data and collaborate with other like-minded organizations, aiming to ensure that any treaty ensures a full-circle solution to plastic pollution. In this way, through a powerful combination of words and actions, we are determined to work with key stakeholders to keep delivering the progress we need to successfully tackle ocean plastic pollution.

FINANCIAL PERFORMANCE AND BUDGET

With the most severe restrictions related to the COVID-19 pandemic gradually being relaxed, The Ocean Cleanup's ambition for 2022 was to enable the continued ramp-up in operations that is necessary to validate our current technologies and projects in Oceans and Rivers globally. Our financial planning reflected this ambition, with a 50% increase in organizational budget from EUR 35.7 million in 2021 to EUR 53 million in 2022.

This was largely driven by our Oceans team's ongoing operation of System 002 in the Great Pacific Garbage Patch (GPGP), where we doubled our operational time to 48 weeks offshore in 2022 (up from 24 weeks in 2021). Furthermore, we recognized that despite the success of System 002, it needed to expand in size significantly in order to clean the entire GPGP within our intended timescale. Offshore System 002 operations, alongside the iterative designing, engineering, testing, fabrication, and procurement of materials required for our transition to System 03, therefore led to the Oceans budget making up 49% of the total organizational budget in 2022.

Meanwhile, we planned to execute the Rivers projects that had suffered setbacks in 2021, and were successful with two new projects: Interceptor 007 in Los Angeles County, USA, and Interceptor 011 in Kingston Bay, Jamaica. New setbacks meant delays to our deployments in Indonesia and Thailand, extending our deployment timeline into 2023; this led to a decrease of EUR 1.3 million spending in 2022, which will be shifted forward. Another significant project that suffered setbacks was the experimental Interceptor Trashfence deployed in May 2022 in the Las Vacas river, Guatemala. Our financial planning had anticipated success and accounted for operational costs of EUR 0.4 million for the remainder of the year in extracting significant amounts of intercepted waste; however, we had to dismantle the Trashfence soon after deployment, as the severe river conditions had led to irreparable damage. This is reflected as an impairment expense of EUR 1.3 million to write off the Trashfence from our assets.

Human resources expenditure rose to EUR 8 million in 2022 from EUR 7 million in 2021, excluding the *Tijdelijke Noodmaatregel Overbrugging voor Werkgelegenheid* (NOW; a wage support package provided by the Dutch government in response to the COVID-19 pandemic); The Ocean Cleanup did not receive any further NOW support in 2022 and has now filled all remaining requirements to ensure the receipt of the remaining EUR 0.35 million in subsidies. We had set an ambitious budget to grow our team during this Validation phase, but although we increased our full-time-equivalent employees by 10% in 2022 versus 2021, this was 50% lower than what we had budgeted for. As a result, our final costs were EUR 2.4 million lower than anticipated.

50%
increase in our organizational budget

With bigger projects underway and maximum impact expected, we set our income budget at EUR 44 million, double the amount received in 2021. By the conclusion of 2022, we had surpassed our expectations by more than 20% and received EUR 54.7 million in income, thanks to the immense generosity of our partners and donors. A notable donation of USD 25 million was granted by Joe Gebbia, co-founder of Airbnb. Upon receipt of this donation by American Friends of The Ocean Cleanup, Foundation, 50% was subsequently gifted to The Ocean Cleanup in 2022.

Our cash reserves ended the year at a healthy EUR 31.4 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 (such as the aforementioned gift), hence the significant increase in our short-term receivables. With EUR 31.4 million in cash and current assets exceeding current liabilities, we can responsibly continue our efforts for the next 12 months.

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

Our mission is ambitious and challenging, and no organization could do it alone. The Ocean Cleanup's continued progress toward ridding the oceans of plastic is only possible thanks to the sustained and loyal support of private donors (including millions of individuals around the world), corporations, and philanthropists. Their generosity, in the form of both monetary and in-kind donations, remains a source of humility and inspiration for all our crew. We particularly want to thank our partners A.P. Møller – Maersk, Kia, The Coca-Cola Company, Latham & Watkins, Deloitte, De Brauw Blackstone Westbroek, Macquarie, Tito's Handmade Vodka, Coldplay, PADI, and TeamSeas.

We also want to thank the talented and dedicated individuals who make up our crew for all they do for The Ocean Cleanup. Without the hard work and commitment of our scientists, researchers, coordinators, developers, thinkers, builders, documentarians, and more, we could not have made 2022's important strides forward, which have brought us closer than ever to our scale-up ambitions and, ultimately, to cleaning up the world's oceans for good.

We will always listen to constructive and science-based criticism, and we thank those among the ocean science community who challenge our methods and keep us transparent. The Ocean Cleanup is a data-driven organization and will always be open to rigorous scientific debate as part of our commitment to our mission. Ocean plastic pollution is a planet-sized problem requiring collaboration from all sides; we are all stakeholders in our planet's future, and we welcome any feedback that helps us clean the oceans in a more responsible and efficient way.

With every new engineering breakthrough, unexpected lesson, new source of funding, or successful trial, we make progress. And throughout it all, every day, we are grateful for the support of all those who share our vision of plastic-free oceans. So, to all those individuals around the world who support us – by following The Ocean Cleanup on social media, purchasing our official merchandise from our website, or simply donating to us as an act of generosity and in the shared belief in this important mission – on behalf of all of us, thank you.

SUPERVISORY BOARD REPORT

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 2022 and conducted several dedicated meetings for project and budget approvals. In addition, the SB was involved in numerous meetings and discussions dedicated to subjects such as leadership and organizational development, communication, finance, and engineering. The formal quarterly SB meetings cover in-depth discussions on selected topics as well as general updates on a wide range of issues, such as audit committee findings, stakeholder management, and developments and progress in all key departments of The Ocean Cleanup: Oceans, Rivers, Catch Management, Research, People & Organization, Finance, Funding, and Communications.

KEY DEVELOPMENTS

In 2022, Oceans continued to reliably catch plastic in the Great Pacific Garbage Patch (GPGP). Meanwhile, Rivers continued to improve the efficiency of half a dozen deployments through a more focused method and with different Interceptor approaches.

Regarding Oceans, the SB continues to support the choice and further testing of System 002. This relies on a mechanically driven approach and on continued development and innovation in terms of efficiency and scale. System 002 was successfully tested during multiple trips in 2022 and forms the foundation for a blueprint design of a much larger, replicable, and modular system (System 03) to be prototyped in 2023. During the design and testing process, the SB will continue to challenge the MT on the reduction of CO_2 emissions, incidental catch, and costs.

For 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 close 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 careful financial monitoring across the different Rivers projects. Permits, logistics, seasonal 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 2022 to boost and accelerate Rivers included the realignment of the contract with The Coca-Cola Company (involving the close involvement of SB members as facilitators and advisers) and proof of the "dirty river in, clean river out" vision. The SB fully supports these advances while keeping a close eye on objectives, costs, risks, and opportunities.

The SB continues to underscore the need for and importance of key performance indicators to keep track of progress. The MT is encouraged to keep refining these indicators and to report to the SB monthly on indicators including budget versus spend versus available cash, uptime of Interceptors, and plastic catch from Rivers and Oceans activities. Such indicators are an effective way to support management and control and encourage a performance-based approach.

In 2022, the SB was closely involved in a variety of organizational development initiatives to improve overall leadership capabilities and empowerment levels throughout the organization. As The Ocean Cleanup readies itself to expand and accelerate its operational footprints, it is mission critical that it provides an environment for maximum employee engagement, trust, and satisfaction. During the second half of the year, the SB and MT collaborated closely to enact a series of leadership initiatives and changes. This resulted in internal promotions for Rivers and Oceans leads and a closer working relationship between the Chief Executive Officer (CEO) and the project leads.

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 2022, The Ocean Cleanup concluded its sunglasses pilot project, with the lessons learned now being applied as part of a broader and larger-scale valorization strategy, 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. 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 internal and external communications around the organization's successes and disappointments, as well as their contexts.

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. Research and analysis are key to continue building the case for the need to rid the

oceans of plastic and growing people's awareness of the challenge. Research also allows the organization to be more effective in achieving its mission; for example, 2022's investigations into the movement of plastic in the GPGP allows the Oceans team to target its cleanup toward high-density areas of plastic for a more economically efficient catch. 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. The Oceans program involves increasingly large budgets for the purchase of assets and vessel operations, and Rivers faces increasing risks due to its reliance on third-party funding and operations. In 2022, The Ocean Cleanup recruited a new Chief Financial Officer (CFO), Stacey Santoso, to lead the organization into the next phase of its financial strategy development, management, and associated risk controls. Stacey brings a wealth of experience in established international, commercial, and non-profit organizations.

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 to the SB, alongside a detailed justification. Stage-gated projects and budgets, which represented approximately 50% of the overall budget in 2022, are subject to separate and individual approval by the SB.

In 2022, an audit committee – made up of two SB members – was set up, assembling on a quarterly basis. This further enhances the ability of the SB to monitor the organization's budget versus costs, funding, and cash position versus commitments. Further, the SB and MT initiated an independent financial assessment by PwC on the process of spending and funding projections. The results of this assessment were shared with the SB on the May 31, 2023.

The SB continues to underline the need to ensure the organization is sufficiently equipped in terms of structure, good governance, and processes. Its members are encouraged by the introduction in 2022 of a House of Policies that aligns with Dutch law and the articles of association.

Fundraising efforts continued to evolve in 2022. The Ocean Cleanup raised EUR 54.7 million in total and, in April, confirmed a seven-year global partnership with Kia. Alongside this, significant support and trust was placed in the organization by Joe Gebbia (co-founder of Airbnb), who committed USD 25 million to The Ocean Cleanup via American Friends of The Ocean Cleanup, Foundation. The SB celebrates the funding efforts and successes of the organization. At the same time, the SB and MT recognize both the need for a substantial scale-up of funding in order to realize The Ocean Cleanup's ambitions and the extent to which this currently relies on donors sharing the same beliefs and having the ability to provide significant financial support. The SB therefore continues to closely monitor The Ocean Cleanup's cash position and assists the MT in addressing the organization's long-term financial needs by making available a comprehensive network of relevant contacts that can further the organization's goals. The professionalism and dedication of the Funding and Communications teams continue to play a major role in securing both large donations and smaller contributions.

AUDIT

The MT prepared this annual report for 2022, including the financial statements, and submitted them to the SB, which adopted and approved them on June 22, 2023. EY was approved by the SB as the auditor for the 2022 financials, and has both audited the financial statements and issued an unqualified opinion, as published in this annual report.

CONCLUSION

The SB recognizes the progress made across various strands of the organization in 2022, even as some projects were unable to proceed as planned. Nevertheless, the SB appreciates that important steps were taken to allow the organization to continue to successfully pursue its important mission; one that can serve as an inspiration to others on how to address major challenges concerning the preservation of the planet.

Building on the work of 2021, 2022's accomplishments continued the organization's trajectory toward clearing significant amounts of plastic from rivers and oceans worldwide. The Oceans team made further progress on proof of technology and scale-up, collecting significant amounts of plastic and focusing on cost reductions. In Rivers, the team made significant headway on partnerships, funding, and implementation models, with an emphasis on demonstrating that an increasing selection of different Interceptor types will allow the organization to achieve its goal of "dirty river in, clean river out" in diverse operating environments.

The SB continues to recognize that ridding 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 challenges on its path to success, as it did in 2022. The SB wishes to express its admiration for The Ocean Cleanup's crew members for their continued belief in and delivery of the organization's mission – one which can entail significant challenges and obstacles. The SB is proud of those that have continued to believe in and deliver on this mission and the continued faith they place in each other. Taking into account the progress made on all fronts during the course of 2022, 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 in 2022. The SB believes that its close collaboration with the MT on an adjusted leadership approach based on trust and transparency will further help the organization achieve its mission. The SB would like to express its 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, the SB acknowledges and thanks the organization's many 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 2022

Eur000's	Note	31 December 2022	31 December 2021
Assets			
Non-Current Assets			
Tangible fixed assets	5	1,168	2,434
Financial assets	6	500	1,298
		1,668	**3,732**
Current Assets			
Debtors	7	1,139	2,663
Other receivables and prepayments	8	12,184	4,402
Tax and social security	9	1,305	1,841
Inventories	10	1,348	1,135
		15,976	**10,041**
Cash			
Cash at banks	11	31,387	42,004
		31,387	**42,004**
Total Assets		**49,031**	**55,777**
Liabilities & reserves			
Reserves			
General reserve	12	37,375	28,307
General reserve - American Friends of The Ocean Cleanup, Foundation	12	-	6.756
Foreign currency translation reserve		7	287
		37,382	**35,350**
Short Term Liabilities			
Creditors		1,797	2,818
Tax and social security	13	212	173
Other liabilities and accrued expenses	14	9,640	17,436
		11,649	**20,427**
Total Liabilities & Reserves		**49,031**	**55,777**

CONSOLIDATED STATEMENT OF INCOME AND EXPENSES FOR THE YEAR ENDED 31 DECEMBER 2022

Eur000's	Note	Actuals 2022	Budgeted 2022	Actuals 2021
Income				
Donations		53,653	44,000	25,564
Donations in kind		752	-	505
Sales of merchandise		144	-	871
Reimbursements and other income		156	-	363
Total Income		**54,705**	**44,000**	**27,303**
Expenses				
Human resources	**15**	8,051	10,480	5,798
Operational costs	**16**	34,534	41,274	19,569
General & support costs	**17**	1,333	1,123	1,133
Depreciation and impairments	**18**	1,630	-	304
Financial expenses/(income)	**19**	82	220	(171)
Total Expenses		**45,630**	**53,097**	**26,632**
Result *		**9,075**	**(9,097)**	**671**
Appropriation of result *				
Addition/(Release)				
General reserve - allocated to the consolidated group	**12**	9,075	(9,097)	605
General reserve - allocated to American Friends of The Ocean Cleanup, Foundation	**12**	-	-	66
Result *		**9,075**	**(9,097)**	**671**

* 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 2022

Eur000's	Note	2022	2021
Cash flow from operating activities			
Net result		9,075	671
Adjustments for:			
Depreciation	**18**	351	304
Impairment	**18**	1,279	-
Receivable from a multi-year promise to give	**6**	(500)	160
		10,205	**1,135**
Movements in working capital:			
Short term receivables		(5,935)	(6,656)
Short term liabilities		(8,777)	10,835
		(14,712)	**4,179**
Net cash generated from operating activities		**(4,507)**	**5,314**
Cash flow from investment activities			
Investments in tangible fixed assets		(364)	(2,225)
Impact due to deconsolidation of American Friends of The Ocean Cleanup, Foundation		4,718	-
Net cash generated from investment activities		4,354	(2,225)
Cash flow from financing activities			
Net cash generated from financing activities		**-**	**-**
Net cash flows		**(153)**	**3.089**
The movement in cash at banks can be summarised as follows:			
Balance as at 1 January		**42,004**	**38,344**
Less: cash controlled by American Friends of The Ocean Cleanup, Foundation		(10,465)	-
Movements during the financial year		(153)	3,089
Effect of exchange rate on cash		1	571
Balance as at 31 December		**31,387**	**42,004**

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

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

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

1.2 Consolidation

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

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

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

The consolidated companies are listed below:

- The Ocean Cleanup Technologies B.V., the Netherlands (100%)
- The Ocean Cleanup Projects B.V., the Netherlands (100%)
- The Ocean Cleanup Interceptions B.V., the Netherlands (100%)
- The Ocean Cleanup Operations B.V., the Netherlands (100%)
- American Friends of The Ocean Cleanup, Foundation, formerly known as 'The Ocean Cleanup North Pacific Foundation' up until December 2021
- 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.
- American Friends of The Ocean Cleanup, 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.

Up until the 1 January 2022, 'American Friends of The Ocean Cleanup, Foundation' formerly known as 'The Ocean Cleanup North Pacific Foundation', a registered 501(c)(3) non-profit foundation, was controlled and managed by Stichting The Ocean Cleanup's management team. As of January 1, 2022, the US Board of Directors has increased its control and discretion in the allocation of donations received by American Friends of The Ocean Cleanup. Stichting The Ocean Cleanup remains the sole member however does not exercise control of American Friends of The Ocean Cleanup; hence the financial statements in 2022 do not include the American Friends of The Ocean Cleanup from the consolidation.

1.3 Accounting policies for the cash flow statement

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

2. GENERAL ACCOUNTING POLICIES

2.1 General

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

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

2.2 Comparison with previous year

The valuation principles and method of determining the result are the same as those used in the previous year. The Foundation notes the consolidated comparative figures include all six aforementioned

entities in 2021, whereas due to the Foundation no longer having control over 'American Friends of The Ocean Cleanup, Foundation' in 2022, the current year figures only include the other five entities that comprise the consolidated group. Where relevant, specific disclosures have been added to the notes.

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 average rate of exchange during the reporting period. Any resulting exchange differences are taken directly to the foreign currency translation reserve within the equity reserves.

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

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

3.1 Tangible assets

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

3.6 Contingent liabilities

Under Environment and Climate Change Canada (ECCC), the permit which grants the Foundation rights to bring onshore plastic waste materials collected from the Great Pacific Garbage Patch also identifies the Foundation as being responsible for the safe disposal or processing of the materials. The quantities in bonded warehouse storage (72mT) at the port in British Columbia, Canada as at the year ended 31 December 2022 are not commercially viable to process with the partners the Foundation has outsourced these activities to. The Foundation recognizes there is an obligation to process the plastic waste however, it is difficult to make a reliable estimate and therefore no accrual has been made to provision for these activities in the year ended 31 December 2022.

4. PRINCIPLES FOR THE DETERMINATION OF THE RESULT

4.1 General

Income and expenses are accounted for on accrual basis.

4.2 Income

4.2.1 Donations

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

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

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

During the 2022 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 2022. 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 2022, 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	2022	2021
With a term of less than to one year	55	73
With a term equal to or more than one to less than or equal to five years	-	55
With a term of more than five years	-	-
	55	128

Total lease payments of €73,000 (2021: €18,000) are included in the income statement for 2022.

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 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 2023.

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 2022 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 18 January 2022 that in order to ramp up on operational activities and fulfil ambitions for 2022, a projected income of € 44,0M income and projected costs of € 49,0M were required. As consistent with prior year, for specific projects where project scope, impact and costs are under review and planning is ongoing, we consider it prudent to only request approval when there is clarity. This included projects such as extending the test campaign for System 002 after Trip 10 and deploying additional River projects which would be requested throughout the year to the Supervisory Board. The final budget approved upon 6 October 2022 was for projected costs of €53,1M.

When comparing the revised budget to the performance in 2022, the Foundation notes that:

- income was € 10,7M more than anticipated in the budget; this substantial increase was due to a one-off donation gifted by Joe Gebbia (co-founder of Airbnb) to American Friends of The Ocean Cleanup, Foundation which granted it subsequently to Stichting The Ocean Cleanup;
- costs came in € 7,5M 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.

It is noted in for the 2022 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 2022.

4.11 Going concern

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

NOTES TO THE CONSOLIDATED BALANCE SHEET

8,32		2022		2021	
5 - Tangible fixed assets					
Opening balance			**2,434**		**514**
Investments in fixed assets during the year	Office and Facilities	85		146	
	Project Equipment	279		2,079	
Total investments in fixed assets			**364**		**2,225**
Impairment in fixed assets during the year	Office and Facilities	-		-	
	Project Equipment	(1,279)		(29)	
Total impairment in fixed assets			**(1,279)**		**(29)**
Depreciation charge for the year	Office and Facilities	(26)		(26)	
	Project Equipment	(325)		(250)	
Total depreciation charge			**(351)**		**(276)**
Closing balance			**1,168**		**2,434**
Purchase value	Office and Facilities	923		838	
	Project Equipment	1,997		2,997	
Purchase value of tangible fixed assets			**2,920**		**3,835**
Accumulated depreciation	Office and Facilities	(640)		(614)	
	Project Equipment	(1,112)		(787)	
Total accumulated depreciation			**(1,752)**		**(1,401)**
Closing balance			**1,168**		**2,434**

Tangible fixed assets are depreciated over their estimated useful life. Office and facilities consists of IT equipment, office improvements and furniture. Project equipment consists of equipment that can be used in research expeditions as well for future assembly of systems. The Interceptor Trashfence™ installed for the Guatemala project was impaired by 1,27M (Note 18) as at the end of December 2022 due to significant damage. The average useful life of tangible fixed assets is 3 - 5 years.

6 - Financial assets		
Receivable from multi-year promise to give	500	1,386
Discount on receivable	-	(88)
	500	**1,298**

An unconditional promise to give from a donor expected to be collected in greater than one year is reported at fair value. The unconditional promise was granted in 2022, to be received over the coming 3 years and this amout represents the donations to be received after 2023.

7 - Debtors		
Receivable from debtors	1,139	2,663
	1,139	**2,663**

All debtors originated in 2022 and have been settled within 6 months of year end. No provision for doubtful debts has been raised at the end of 2022 or in previous years.

8 - Other receivables and prepayments		
Prepayments and other receivables	12,184	4,402
	12,184	**4,402**

The other receivables include promises to give that are receivable in less than one year which have not been discounted. A discretionary gift from American Friends of The Ocean Cleanup for the amount of 11.6M was granted in December 2022 to the Foundation which accounts for the significant increase from 2021; the gift was received by the Foundation in March 2023.

9 - Tax and social security		
Value Added Tax	181	246
Research and development tax credit receivable	757	620
Wage subsidy (NOW)	368	975
	1,305	**1,841**

The research and development tax credit (WBSO) of € 757,000 (2020: €620,000) is provided by the Rijksdienst voor Ondernemend Nederland (RVO) and provides entities with an incentive to invest in technical scientific research and development of new physical products, process or software. Specific projects have been approved as part previous years' WBSO submission and are still ongoing in 2022; both costs and hours in relation to the approved projects are eligible for the subsidy. Due to the COVID-19 pandemic, a wage subsidy known as Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud (NOW) was also provided by the government; an outstanding amount of € 368,000 from the period of October 2020 to June 2021 is to be received in 2023. Please refer to Note 4.2.3 for more information on accounting treatment of government grants.

10 - Inventories		
Prepaid inventory - Interceptors	1,284	970
Finished goods - Sunglasses	6	108
Barriers	58	58
	1,348	**1,135**

As part of our 'Full Circle' campaign launched in October 2020, there is currently inventory held for sunglasses produced that remain as stock for warranties and replacements.

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. € 1,284.00 has been prepaid to start the manufacture of three Interceptors needed for 2023 plans. In tandem, we have procured barriers which will be used for future river deployments.

11 - Cash & cash equivalents		
EUR denominated cash	30,461	26,639
USD denominated cash	926	15,365
	31,387	**42,004**

In 2022, 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. In 2021, cash includes a balance of 10,4M US Dollars held by American Friends of The Ocean Cleanup at First Republic Bank in the United States of America.

12 - General reserve		
Opening balance	35,063	27,636
General reserve - American Friends of The Ocean Cleanup, Foundation	(6,756)	6,756
Donations received	54,705	27,303
Used for general projects	(45,637)	(26,632)
	37,375	**35,063**

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 2022, the net of donations received and funds expended for general projects is the surplus of € 8,976.000. The general reserve can be used freely in pursuit of the Foundations' mission.

The foreign currency translation reserves of € 7,000 (2021: € 297,000) is used to recognise exchange differences arising from translation of the financial statements of foreign operations such as The Ocean Cleanup Guatemala S.A., to Euros, the presentation and functional currency for the Foundation. The decrease from 2021 is due to the consolidated accounts including the general reserve of American Friends of The Ocean Cleanup (formerly known as "The Ocean Cleanup North Pacific Foundation") prior to 1 January 2022.

13 - Tax and social security		
Social security payable	212	173
	212	**173**

14 - Other liabilities and accrued expenses		
Personnel liabilities	285	245
Accrued expenses	2,903	1,280
Other payable	6,452	15,911
	9,640	**17,437**

Personnel liabilities relate to the 8% holiday allowance which accrues to employees and is paid out in May 2023.

The other payables balance consists of reserved donation of €6,000.000 that is conditional upon our agreement to apply extraction technology in Central America on a pay-for-performance basis. Remaining €450,000 also represents deferred donations for projects commencing in the future.

NOTES TO THE CONSOLIDATED STATEMENT OF INCOME AND EXPENSES

Eur000's	2022	2021
15 - Human resources		
Gross salaries	5,954	3,719
Social security expenses	110	71
Staff costs - external contractors	1,521	1,638
Other HR costs	466	370
	8,051	**5,798**

During 2022, the Foundation and its subsidiaries employed on average 116 full time equivalents (2021: 109 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 € 757,000 (2021: 660,000) 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 in prior year, and this credit of € 1,2 M was 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	2,081	802
Outsourced work	11,179	7,436
Charter of vessels and staff	17,293	7,687
Facilities, equipment and tools	642	204
Procured materials and system components	1,871	2,448
Public relations	409	468
Travel and accomodation	1,059	523
	34,534	**19,569**

Operational costs increased significantly to €34,534,000 in 2022 driven mainly by the ongoing testing in the Great Pacific Garbage Patch for our Ocean project, System 002 where 8 trips of 6 weeks were completed, compared to only 4 trips in 2021. River project deployments continued in 2022 following the momentum of COVID-19 restrictions easing in 2021. 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	306	305
IT	359	299
Insurance, health and safety	180	185
Consultancy fees	162	193
General and adminstration costs	326	151
	1,333	**1,133**

18 - Depreciation and impairments		
Office and facilities	26	26
Project equipment	325	250
Impairment of project equipment	1.279	28
	1,630	**304**

19 - Financial income and expenses		
Banking charges	127	101
Interest (received)/paid	(4)	1
Foreign exchange differences	(41)	(273)
	82	**(172)**

STICHTING THE OCEAN CLEANUP
BALANCE SHEET
AS AT 31 DECEMBER 2022

Eur000's	Note	31 December 2022		31 December 2021	
Assets					
Non-Current Assets					
Tangible fixed assets	**21**	73		114	
Financial fixed assets	**22**	2,602		1,865	
			2,676		**1,979**
Current Assets					
Receivables from group companies	**23**	2,703		17,129	
Debtors	**24**	1,131		1,933	
Other receivables and prepayments	**25**	12,029		1,111	
Tax and social security	**26**	54		70	
			15,917		**20,243**
Cash					
Cash at banks	**27**	25,457		13,262	
			25,457		**13,262**
Total Assets			**44,050**		**35,484**

Liabilities & reserves					
Reserves					
General reserve	**28**	37,382		28,323	
			37,382		**28,323**
Short Term Liabilities					
Creditors		166		77	
Tax and social security	**29**	18		22	
Other liabilities and accrued expenses	**30**	6,485		7,062	
			6,669		7,161
Total Liabilities			**44,050**		**35,484**

STICHTING THE OCEAN CLEANUP
STATEMENT OF INCOME AND EXPENSES
AS AT 31 DECEMBER 2022

Eur000's		2022		2021
Income				
Income from operations		54,403		25,015
Share of result of participations	**31**	(43,862)		(24,097)
Expenses from operations		(1,482)		(887)
Result			**9,059**	**31**
Appropriation of result				
Addition/(Release)				
General reserve		9,059		31
Result *			**9,059**	**31**

* 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		2022		2021	
21 - Tangible fixed assets					
Opening balance			114		92
Investments in fixed assets during the year	Office and Facilities	11		67	
Total investments in fixed assets			11		67
Depreciation charge for the year	Office and Facilities	(52)		(45)	
Total depreciation charge			(52)		(45)
Closing balance			**73**		**114**
Purchase value	Office and Facilities	294		283	
Purchase value of tangible fixed assets			294		283
Accumulated depreciation	Office and Facilities	(221)		(169)	
Total accumulated depreciation		-	(221)		(169)
Closing Balance			**73**		**114**

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 mainly relates to the interest the Foundation holds in 100% of The Ocean Cleanup Technologies B.V.'s share capital. The Foundation notes in 2022, there is a long term receivable of € 500.000 which has also been included as a financial fixed asset. For more information, refer to Note 6.

Movements in the financial fixed assets balance associated with share capital of entities can be specified as follows:

Opening balance	1,865	1,962
Result from participations	(43,862)	(24,097)
Share premium contribution	44,100	24,000
Closing Balance	**2,102**	**1,865**

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

Name, registered office	**Share in capital as %**	**2022 Closing balance**
Fully consolidated		
The Ocean Cleanup Technologies B.V., the Netherlands	100	2,102
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.

23 - Current account group companies

The Ocean Cleanup Technologies B.V. - Consolidated	2,703	17,129
	2,703	**17,129**

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 were held as cash and cash equivalents at ABN AMRO Bank and ING in the respective entities. In 2022, this management decision was discontinued hence the reduction in the current account of the group companies in comparison to 2021.

24 - Debtors

Receivable from donors	1,131	1,933
	1.131	**1,933**

All debtors originated in 2022 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	12.029	1,111
	12.029	**1,111**

26 - Tax and social security

Value added tax	38	28
Wage subsidy (NOW)	16	42
	54	**70**

Due to the COVID-19 pandemic, a wage subsidy known as Tijdelijke Noodmaatregel Overbrugging voor Werkbehoud (NOW) was also provided by the Dutch government, with a total of €16,000 to be received for the 2023 year.

27 - Cash at bank

EUR denominated cash	24,990	8,988
USD denominated cash	467	4.274
	25,457	**13,262**

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.

28 - General reserve		
Opening balance	28,323	28,292
Donations received	54,403	24,128
Used for general projects	(45,344)	(24,097)
	37,382	**28,323**

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

30 - Other liabilities		
Accrued liabilities	5	35
Current account group companies	30	27
Other payables	6,450	7,000
	6,485	**7,062**

The other payables balance consists of reserved donation of €6,000.000 that is conditional upon our agreement to apply extraction technology in Central America on a pay-for-performance basis. Remaining €450,000 also represents deferred donations for projects commencing in the future.

31 - Share of result of participations		
The Ocean Cleanup Technologies B.V. - Consolidated net loss	43.862	24,097
The Ocean Cleanup Technologies B.V. - Consolidated net loss	**43.862**	**24,097**

OTHER INFORMATION

EY
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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 2022 included in the annual report

Our opinion

We have audited the financial statements for the financial year ended 2022 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 2022 and of its result for 2022 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 2022
- The consolidated and company profit and loss account for 2022
- 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 regarding the financial statements

Responsibilities of the management and the supervisory 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.

The supervisory board is responsible for overseeing the foundation's financial reporting process.

Our responsibilities for the audit of the financial statements

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

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

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

We have exercised professional 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

Communication

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, 22 June 2023

Ernst & Young Accountants LLP

signed by R.J. Bleijs

THE OCEAN CLEANUP®