



OUR OCEANS CHALLENGE

Financial statements

01-01-'17 – 31-12-'17

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Management's responsibility statement

Two thirds of our planet is covered in water: the ocean is fundamental to life for humans and all living creatures and provides goods and services critical to humanity. Unfortunately the health and productivity of the ocean is facing serious challenges. Due to our growing world population and expanding oceanic economic activities, these pressures are only likely to increase.

We believe that despite the challenges facing the ocean, there are opportunities to balance ocean protection with the responsible use and exploitation of ocean space and resources. In other words; we see an ocean of business opportunities!

Vision

"A sustainable offshore industry through collaboration by all industry partners"

Mission

"Connecting the offshore industry with sustainable, innovative and viable solutions through identifying industry-wide sustainability challenges while raising industry responsibility and awareness"

Vision

"Gather, inspire and support entrepreneurs through our massive open online innovation platform"

Business review

After a long period of searching for a suitable way to contribute to the development of sustainable oceans business, the foundation Our Oceans Challenge (hereafter OOC) was incorporated in February 2014.

OOC provides an online co-creation platform for entrepreneurs, offshore experts, scientists and those who care for the oceans to share and enrich ideas for a clean and healthy ocean. After a selection made by our partners we provide the means to realize these ideas by connecting entrepreneurs and start-ups with corporations their financial resources and expertise. Shortening the time to market of ocean ventures while tackling some of our most pressing environmental and social challenges.

During 2014 we started with the first cycle of our global acceleration program, whereby the first two phases were completed. During the first Call to Action phase of OOC, 88 ideas were shared on an online platform. At the OOC Challenge Event, which took place on the 25th of September, the 16 most promising solutions were selected. As from the Challenge Event the solutions received business development support from the partner network to kick-start their business. Out of these 16 solutions, there were 5 new ocean ventures which presented themselves during the Demo Day of Our Oceans Challenge on 28th May 2015.

Following the huge success of the first cycle, the Board decided early 2016 to initiate a second cycle. Both the composition of the Board as well as the organizing committee were enlarged, enabling OOC to reach out to a larger group of potential partners and to create, host and manage an even more professional platform to share and enrich ideas.

The fourth quarter of 2016 was used by OOC and its partners to formulate 5 key sustainability challenges that the offshore industry faces in its efforts to become more sustainable and would form the basis for idea owners to submit their innovative ideas.

In December 2016, the OOC platform was officially launched on the internet. At that time a total of 22 companies and institutions had joined OOC as board, industry, knowledge or launch support partners. Throughout the first quarter of 2017, another 6 new partners joined OOC to bring the total number of partners to 28. An overview of the various partners is provided as appendix to this financial statement.

From the launch of the OOC idea generation platform in December 2016 until the closing of the platform in March 2017, a total of 165 ideas were posted, challenged, commented on and enriched by industry experts in order to provide as much support and create as much momentum as possible for all idea owners involved. Various events were organized to bring partners and idea owners together and allow them to brainstorm and to interact with each other. At the end of this process, a careful evaluation process involving many partners and participants was carried out to select a total number of 20 idea owners that would be invited to pitch their ideas to a professional jury and large audience. In order to prepare all idea owners as much as possible, they were offered technical support from the OOC partner network and attended workshops and other support in the field of business development, prototyping and feasibility scans.

On 15 June 2017, the Grand Final of the second cycle was held at the Maritime Museum in Rotterdam. A total of 20 idea owners were invited to present their solutions to the jury and audience.

The jury consisted of the following members:

- Laura Heerema – Heerema Group;
- Jan Albert Westerbeek - IHC IQIP;
- Hans Huis in 't Veld – Top Sector Water;
- Prof. Dr. Theun Baller – Delft University of Technology.

Following 2-minute presentations by each of the finalists, the jury selected WAVEPARASITE as the winner of the OOC Industry Award, while THE GREAT BUBBLE BARRIER was awarded second place and WASTE MARKET came in third.

The OOC Public Award was awarded by the audience via an online poll. The winner of this award was THE GREAT BUBBLE BARRIER. Second and third places were awarded to WAVEPARASITE and GENERATIVE DESIGN respectively.

In October 2017, Our Oceans Challenge was awarded the Offshore Energy Public Outreach Award 2017. This award recognizes outstanding achievements in the field of public outreach by a company, organization or project team active in the offshore industry.

Financial review

In the course of 2016, the Foundation initiated various partnership agreements with companies, governmental bodies and educational institutions that include both financial and in-kind contributions such as voluntary work by partners' employees.

The partnership contributions that were agreed upon in the fiscal years 2016 and 2017 all have been invoiced and paid in full in 2017.

During 2017 the foundation generated income of 115,000 EUR (2016: 0 EUR) through sponsorship contributions of which 25,000 EUR relates to a cash contribution from Heerema Marine Contractors that was prepaid in 2014 and has not been accounted for as a cash contribution in 2017. With this net cash income of 90,000 EUR in 2017 the operating expenditures of 100,812 EUR (2016: 3,469 EUR) were covered, the remainder being funded from the foundations' equity reserve of 27,941 as per 31 December 2016. The operating expenditures for 2017 mainly relate to the many events that were organized in light of our global acceleration program. The remainder of the expenses relate to marketing and communication, insurance and other expenses.

The negative result (10,812 EUR) of the period will be deducted from the equity reserve of the foundation.

During the various stages of the second cycle (2016-2017) the foundation also received significant in-kind contributions from its partners. These in-kind contributions mainly consist of the provision of manpower or the in-kind use of accommodation for events. Without such in-kind contributions we would not have been able to initiate, launch and successfully complete the second cycle. The in-kind contributions are not valued in this annual report.

The future of Our Oceans Challenge

The OOC Board is currently in the process of preparing a third cycle of our program that is expected to launch in the 4th quarter of 2018. More details and information will be made available on the OOC website in due course.

The Board

Amsterdam, The Netherlands
August, 2018

Thom Koning, Chairman

Ronald Quik, Treasurer

Balance sheet at 31 December 2017

| | Notes | 31.12.2016 EUR | 31.12.2017 EUR |
|-------------------------------------|-------|----------------------|----------------------|
| Assets | | | |
| Current assets | | | |
| Trade and other receivables | 1 | - | - |
| Cash and cash equivalents | 2 | <u>27,941</u> | <u>17,129</u> |
| Total assets | | <u>27,941</u> | <u>17,129</u> |
| Equity and Liabilities | | | |
| Equity | | | |
| Reserve | | 31,410 | 27,941 |
| Result for the year | | <u>- 3,469</u> | <u>- 10,812</u> |
| Total equity | | <u>27,941</u> | <u>17,129</u> |
| Liabilities | | | |
| Trade and other payables | 3 | <u>0</u> | <u>0</u> |
| Total liabilities | | <u>0</u> | <u>0</u> |
| Total equity and liabilities | | <u>27,941</u> | <u>17,129</u> |

Income statement 2017

| | Notes | 2016 EUR | 2017 EUR |
|----------------------------|-------|-------------------------|--------------------------|
| Donations and sponsorships | 4 | 0 | 90,000 |
| Operating expenses | 5 | <u>3,469</u> | <u>100,812</u> |
| Result for the year | | <u>-/- 3,469</u> | <u>-/- 10,812</u> |

Notes to the Financial Statements

General

This report is drawn up following the principle of historical costs. Unless indicated otherwise, assets and liabilities have been admitted against no-par value.

Equity

The equity of the foundation are in place in order for the organization to achieve its objectives.

Current assets and liabilities

The other assets and liabilities are valued against no-par value. The valuation of receivables is made by deduction of a provision because of non-recoverability based on the individual valuation of the receivables.

Foreign currency

Transactions in foreign currency are converted to euro at the average exchange rate. At the end of the financial year all accounts receivable and liabilities in foreign currency are converted to euro on the basis of the exchange rate as per balance date. Exchange rate results have been added to the income statement.

Donations and sponsorships

The income consists of the proceeds from donations and sponsorships and other income which are ascribed to the financial year concerned. Donations are accounted for in the year in which these were granted. Losses are taken into account if they originate in the financial year in question and as soon as these are anticipated.

Operational expenses

The organization has costs in support of their activities. These costs are recognized to the year concerned. Direct costs on behalf of the activities are also ascribed to the year concerned.

1 Trade and other receivable

| | Current | Non current | Total |
|-------------------|-----------------|-----------------|-----------------|
| | EUR | EUR | EUR |
| Pre payments | - | - | - |
| Other receivables | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u>-</u> | <u>-</u> | <u>-</u> |
| | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>-</u></u> |

2 Cash and Cash equivalents

| | Current | Non current | Total |
|---------------|----------------------|-----------------|----------------------|
| | EUR | EUR | EUR |
| Cash in hand | - | - | - |
| Bank balances | 17,129 | - | 17,129 |
| | <u>17,129</u> | <u>-</u> | <u>17,129</u> |
| | <u><u>17,129</u></u> | <u><u>-</u></u> | <u><u>17,129</u></u> |

3 Trade and other payables

| | Current | Non current | Total |
|-------------------------------------|-----------------|-----------------|-----------------|
| | EUR | EUR | EUR |
| Trade payables and accrued expenses | 0 | - | 0 |
| | <u>0</u> | <u>-</u> | <u>0</u> |
| | <u><u>0</u></u> | <u><u>-</u></u> | <u><u>0</u></u> |

4 Donations and sponsorships

| | 2016 EUR | 2017 EUR |
|----------------------------|-----------------|----------------------|
| Donations and sponsorships | 0 | 90,000 |
| | <u>0</u> | <u>90,000</u> |
| | <u><u>0</u></u> | <u><u>90,000</u></u> |

5 Operating expenses

| | 2016 EUR | 2017 EUR |
|---------------------------|---------------------|-----------------------|
| Projects and programs | 1,997 | 94,734 |
| Marketing & Communication | 107 | 4,649 |
| Insurance premiums | 629 | 630 |
| Administration | 0 | 0 |
| Bank Charges | 737 | 789 |
| | <u>3,469</u> | <u>100,812</u> |
| | <u><u>3,469</u></u> | <u><u>100,812</u></u> |

Appendix I – Partners OOC – Cycle II

ABN AMRO
Acta Marine
BuccaneerDelft
De Brauw Blackstone Westbroek
Deltares
DOF
Fugro
Heerema Fabrication Group
Heerema Marine Contractors
Innovation Quarter
Jumbo
KIVI
KPMG
MARIN
N Sea
Nature Group
NIOZ
Outside Inc.
Royal IHC
Royal Lankhorst Euronete
SIF Group
TU Delft
Van Oord
VBMS
VU
Wageningen University & Research
World Ocean Council
YES!Delft