PILOT PROJECT

In 2018, Zephyr partnered with the Port of San Diego to demonstrate an innovative new design for a marine debris skimming vessel, and for the development of a database of key variables influencing marine debris accumulation in San Diego Bay. Zephyr is a start-up company whose founder has over 20 years of experience in the maritime industry as a small business owner and commercial fishing captain.

During the one-year pilot, over 33,000 pounds of trash were collected from San Diego Bay, as well as data on location, volume and content of debris. The data collected is assisting and informing management decisions to address marine debris sources and hotspots around San Diego Bay. Moving forward, Zephyr is actively working on a new innovative approach to prevent and reduce debris accumulation in Bay environments to improve and expand its marine debris removal services.

CURRENT STATUS

In March 2020 Zephyr completed a one-year contract with the Port’s General Services Department to provide marine debris removal services. As the vessel continues to demonstrate its efficient skimming operation and technology the goal is to commercialize the solution across California and beyond to help remove debris from other Ports and Harbors.
Scorecard: Zephyr / Q1 FY21

PILOT TIMELINE: Board Approval: 1/9/2018 Start Date: 2/5/2018 End Date: 2/5/2019

PILOT OVERVIEW

Tracking benefits from pilot project to commercial success

ENVIRONMENTAL & SOCIAL BENEFITS

Pilot Key Performance Indicators

<table>
<thead>
<tr>
<th>OVERALL KPI</th>
<th>Track amount of debris collected</th>
<th>Track effectiveness of skimming operations</th>
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</thead>
<tbody>
<tr>
<td>Q1 FY19</td>
<td>4,809 LBS</td>
<td>Seasonality pattern developed</td>
</tr>
<tr>
<td>Q2 FY19</td>
<td>15,872 LBS</td>
<td>Designed Technology improvements</td>
</tr>
<tr>
<td>Q1 FY19</td>
<td>4,216 LBS</td>
<td>Hot spot, trash accumulation locations identified</td>
</tr>
<tr>
<td>Q4 FY18</td>
<td>5,065 LBS</td>
<td>Pattern and predictability developed based on variables and data collected</td>
</tr>
<tr>
<td>Q3 FY18</td>
<td>3,172 LBS</td>
<td>Baseline variables established and recorded</td>
</tr>
</tbody>
</table>

Per pilot project statement of work

Monthly Marine Debris removed during pilot

2018 Total Trash (lbs/month)

- Over 33,000lbs Total

FINANCIAL FORECAST

Cumulative Cash flow to Port - Forecast vs. Actual

5% Royalty - Ends 2033

Pilot (1 year)

Agreement: 5% royalty of worldwide gross revenue for a period of 15 years

Revenue forecast based on sales projections submitted to Port

Port Cumulative Forecast

Port Actual Cumulative