

Reprising 2017: A Watershed Year for Holtec International

The year 2017 will be remembered as a momentous year for our Company; it is the year when our 50-acre technology campus consisting of two heavy manufacturing plants and a modern seven-story office building on the Delaware River waterfront in the city of Camden opened for business. Some 800 friends of the Company from around the world joined us in the groundbreaking ceremony on Sept. 7, 2017. The move to Camden, one of America's poorest cities, implements our CEO's oft-repeated thesis "that every company owes it to society to bring opportunities to the less-advantaged amongst us." In a vindication of our credo, we are witnessing motivated people flocking from the local South Jersey communities to our Camden campus evidently thirsting to acquire new know-how and secure well-paying jobs. The ongoing campaign of recruitment and training of the local strivers from the city and surrounding communities will continue in year 2018. Within a short period of time from the grand opening, the new Camden plant completed the manufacturing of the first dry spent storage overpack [HI-STORM 190] for the Central Storage Facility (CSF) project in Ukraine.

In 2017, Holtec submitted the licensing application for establishing a *Consolidated Interim Storage Facility* (CIS) that we plan to develop in collaboration with our local partner ELEA, LLC (a regional business alliance in Southeast New Mexico). This facility, named HI-STORE CIS, will store the nation's used fuel packaged *subterranean* cavities employing our tried and tested HI-STORM UMAX technology. The loaded canisters from nuclear plant sites across the country will be hauled in our universal transport cask [HI-STAR 190, licensed by the NRC this year]. We expect NRC's approval of HI-STORE CIS facility by 2021. We also hope that Congress and the DOE will embrace the solution developed by our (private) initiative to end the used fuel management imbroglio that has stunted the rise of nuclear energy in America for well over three decades.

We welcomed the national nuclear operators of Slovenia and Brazil amongst the ranks of our esteemed international customers. *Holtec Arabia* based in Dubai, and *Holtec Africa* based in Johannesburg, began active operations.



< MPC-31 Fuel Basket for VVERs in fabrication at Holtec's Manufacturing Plant

Started in 2010, the R&D effort on our small modular reactor (SMR-160) program forged ahead in 2017 despite the continued absence of any federal funding. On the technology front, Holtec manufactured the first batch of *multi-purpose canisters* to store used fuel from Russian-origin reactors (VVERs).

Innovation, which is the mother's milk for our corporate prosperity, remained a core company endeavor, symbolized by 16 new US patents granted to the Company in 2017. In recognition of our innovations, our

CEO was elected a Fellow of the *National Academy of Inventors*, and was inducted in the "Walk of Fame" of the *University City Science Center* in Philadelphia.

A giant stride in life extension of multi-purpose canisters was made in collaboration with the Southern California Edison Company by the development of a laser peening process for the heat sensitized regions of multi-purpose canisters. All 75 canisters being manufactured for the Edison's San Onofre' nuclear plant are being peened at the Holtec Manufacturing Division using this pioneering technology.



PSEG's Sewaren 7 Combined Cycle Plant in Woodbridge, New Jersey

The Company's Heat Transfer Division's most notable milestone in 2017 was the completion of the 20-cell air cooled condenser facility for PSEG's Sewaren 7 combined cycle plant in Woodbridge, New Jersey.

Through the year, the Company's Manufacturing plants delivered over 750 major capital equipment this year including feedwater heaters, water cooled

condensers, auxiliary heat exchangers, fuel racks, casks, canisters, overpacks, and ancillaries to domestic and overseas clients. On-time delivery for the year stands at 99.2% and client satisfaction index is the highest it has been in over 20 years.

Of all the corporate achievements in 2017, none outshines the dramatic improvement in personnel safety achieved by the Company's manufacturing plants in 2017 which now ranks in the top 1% of all peer industrial companies in America. Nuclear Power Division's record of performance in the quality assurance space remained spotless as successive teams of visiting third-party auditors at our various operation centers through the year assessed and passed the Company's QA program and its implementation, often with laudatory observations. A superb record of personnel safety and product quality will be our dearly held corporate legacy for 2017 as we welcome the new year.