

Holtec in 2020: Our Corporate Diary Recalls a Year of Perseverance

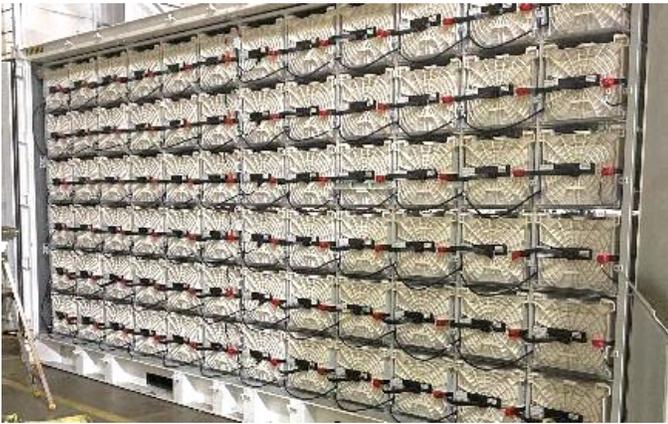
Like practically every other company in America and the world, we took on serious challenges from the pandemic in 2020: our manufacturing plant in India idled since mid-year, our U.S. manufacturing plants were limited by a reduced work force and supply chain issues, and our site construction and services projects were repeatedly stymied by travel bans due to spiking virus outbreaks, especially in international projects.

In spite of the odds against us, we weathered the pandemic remarkably well, adapting to remote work in a very short time after the virus intensified last March. Despite setbacks in some of our business units, overall, we have proved to be resilient, suffering no serious damage to our annual output. In the face of strong headwinds, we have held steadfast to our ethos which is also our trademark, *A Generation Ahead By Design*.

Like prior years, our innovation machine continued to churn out new technologies that bring immediate benefits to our customers, as indicated by 14 U.S. patents received in 2020 raising our patent inventory to 135 overall. In a telling example of the power of our patents, we successfully dried a water-logged canister at Oyster Creek last month in less than 8 hours, which is a new industry record. In another example, we introduced the very first portable robot for remote welding of canister lids in mid-2020, which reduces personnel dose by a factor of three. Another testimonial to our credo of practically useful and significant innovations is our new waste package designs for our decommissioning sites that have cut the number of packages at least five-fold, which will proportionately reduce the traffic in the local communities for off-site transport of waste. The sophisticated waste segregation method pioneered by our Comprehensive Decommissioning International (CDI) subsidiary, is laborious but complimentary to our staunch standards of environmental stewardship, as it replaces the wholesale “rip and ship” practice prevalent within the industry.

Our decommissioning project at Oyster Creek set a new world record for the safest and most efficient dismantling of the reactor internals in mid-2020, only to be surpassed by our own Pilgrim site in Massachusetts three months later. The Holtec Decommissioning Model, which optimizes our human capital by exploiting robotics, cloud-based information management and cutting-edge wet and dry storage simulation methods, has shown its mettle by helping us excel in every metric of performance at our decommissioning sites, such as protection of the environment and reduction in the radiation dose sustained by our workers to be even lower and safer than the industry standards.

In another notable environmental event a week ago, our HI-POWER plant in Pittsburgh, co-owned with Eos Energy Enterprises of Edison, NJ, shipped its first energy storage stack of non-flammable batteries (to Nigeria) heralding our entry in the clean energy storage industry (see photo below). Hundreds more will follow in 2021 and beyond.



*First Battery Energy Storage System Container
Manufactured by HI-POWER*

In 2020, our list of loyal nuclear customers grew to 74 reactor units in the U.S. and 63 abroad. This steady rise in our industry-leading market share has been primarily fueled by our innovations that improve the state-of-the-art technical and operational aspects important to our clients. Our privately-funded quest since 2011 to develop the most use-worthy reactor in the post-Fukushima age received the coveted nod from the Department of Energy in December of 2020, providing support to our SMR-160 program. We submitted a key safety acceptance criteria topical report to the U.S. Nuclear Regulatory Commission (USNRC), and now project to complete USNRC licensing of SMR-160 by 2025, with a first deployment by 2028. Of additional important note, the Canadian regulator (CNSC) completed the first

part of their design review cycle for SMR-160 in 2020. Our SMR-160 produces clean energy, is unfailingly safe and can be deployed in even the most arid regions of the planet.

We are heartened by the growing bi-partisan consensus in Congress to pass enabling legislation for consolidating the storage of used nuclear fuel from sites scattered throughout the country to one or two sites, which validates our relentless drive since 2017 to aggregate America's used fuel at a better designed, better-defended and geographically stable centralized storage facility. At the invitation of the local communities in Southeastern New Mexico, we began the process to license a centralized facility in their region, which we call HI-STORE Consolidated Interim Storage Facility (CISF). The proposed HI-STORE CISF facility will store the fuel storage canisters *below-the-ground* and can be readily transported to a disposal or reprocessing facility (at government's option) on demand. The HI-STORE CISF will have zero environmental or industrial impact to the host site (local "fracking" activity will remain unaffected) which boasts the ideal (salt-less) climate and low seismology. HI-STORE CISF is expected to be licensed by the USNRC in 2021. The local communities are in strong support of our inherently benign HI-STORE CISF installation which will create well-paying jobs without any environmental encumbrance.

2020 also marked the year when our site services team completed the loading of the last of 73 used fuel canisters in below-ground storage systems (akin to that envisaged for HI-STORE CISF) at Southern California Edison's San Onofre plant. ISF-2, the world's largest storage facility for Russian-origin used fuel at Chernobyl was completed by Holtec and turned over to the Ukrainian State Enterprise in December 2019. Commissioning tests have now been successfully completed, and the facility is now poised to begin unrestricted canister loading operations. It should be noted that our technology made the Chernobyl dry storage possible after a leading reactor supplier selected by the manager (EBRD) of the 14 donor countries (including the U.S. and G-7 countries) defaulted on the project for reasons of technical insufficiency.



HI-TRAN 300 (280-Ton Lift Capacity) Built in 2020 at Holtec's Krishna P. Singh Technology Campus in Camden, New Jersey

To root out the chronic reliability issues with procured cask transporters, we developed our own design that is unreservedly single-failure proof and unquestionably robust. The first unit, named HI-TRAN-300 was manufactured at our Camden plant and was delivered to Brazil in October 2020. Five more are in production for various clients.

We wish our readers and the entire world a happy new year in which the virus is vanquished, the rising trend in poverty is reversed, and global trade, the essential driver for global prosperity, flourishes again.