



Appendix no. 1

Progress Report on the Refurbishment Project of Cernavodă Unit 1

I. General. Short history of the Project

The Unit 1 Refurbishment Project at Cernavodă NPP (Project) is one of the main investment projects undertaken by SNN and aims to ensure the operation of Unit 1 for an additional 30-year cycle, safely and efficiently from an economic perspective. The Project is structured in 3 distinct phases:

- Phase 1 (2017 - 2022) was completed in February 2022 and had as main objective the definition of the Unit 1 refurbishment scope (refurbishment activities, design changes, implementation of recommendations from the systems and components condition assessment, etc.) and the preparation of the Feasibility Study. On 23.02.2022, the Extraordinary General Meeting of Shareholders of SNN approved the investment decision in the Refurbishment project of Cernavodă NPP Unit 1, based on the Feasibility Study.
- Phase 2 (2022 - 2026) started in March 2022 and includes the activities of preparing the works identified and defined in the first phase, securing the financial resources, conclusion of the Engineering, Procurement and Construction agreements, procuring the necessary equipment, planning the activities, as well as obtaining all necessary approvals and endorsements.
- Phase 3 (2026 - 2029) will start with the shutdown of Unit 1 and consists of the actual implementation of the Refurbishment Project works, followed by the commissioning of the unit and its trial operation.

The activities related to the refurbishment are divided into: replacement activities of reactor components, referred to as refurbishment activities and upgrading activities respectively, resulting from the implementation of Condition Assessment study recommendations and design changes, selected for the purpose of Unit 1 refurbishment.

According to the document “Replacement of Fuel Channels, Calandria Tubes and Feeders” (ICCTCF), the contract for the execution of the refurbishment activities must be signed at least 54 months before Unit 1 is shut down for refurbishment. The 54-month deadline comes from the experience of other plants that have been refurbished and from supplier data. This duration is given by the longest manufacturing time of the reactor components, i.e. the fuel channels.

Looking at the activities involved in the manufacture of reactor components, it resulted that the first activity to be carried out is the engineering (drafting of technical specifications) and later contracting the reactor components and the retubing equipment. For these reasons, an engineering agreement for reactor components and condition assessment of retubing equipment was signed at the beginning of July 2022, and a supply contract for reactor components and retubing equipment was signed in November 2023.

As regards the implementation of the ongoing Phase 2 activities, the contractual strategy has undergone several updates compared to the initial concept, taking into account both the international economic context (including supply chain trends and recent experiences in similar projects) and the increased requirements in terms of the procurement procedure applicable to SNN.

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The status of ongoing major contracts/contracting of major activities is summarized in the table below:

Contract	Stage
<p><i>Pre-project contract PPC 1</i></p> <p>“Engineering services necessary for the preparation of the documentation related to the acquisition of the reactor components with a long manufacture term, which shall be replaced upon Unit 1 Refurbishment and for the assessment of the condition of the set of specialized tools to be used for the replacement of the reactor components”</p> <p>No. RUEC 1108/08.07.2022 with CANDU Energy Inc.</p>	<p>The contract has been signed and is in progress</p>
<p><i>Pre-project contract PPC 2</i></p> <p>“Engineering services for writing: (i) the technical specifications and the design documentation for the refurbishment activities that require acquisition of equipment/components with a long manufacturing time, and for complex activities with a long design time and (ii) the technical documentation required to commence the process for obtaining the building permit for the infrastructure needed to retube the reactor at Unit 1”</p> <p>No. RUEC 277/02.03.2023 with CANDU Energy Inc.</p>	<p>The contract has been signed and is in progress</p>
<p><i>Pre-project contract PPC3</i></p> <p>“Supply of reactor components to be replaced and of retubing tools required for the refurbishment of the Cernavodă NPP Unit 1 reactor”</p> <p>No. RUEC 1607/27.11.2023 with the Consortium formed by Candu Energy Inc. (CEI) and Canadian Commercial Corporation (CCC).</p>	<p>The contract has been signed and is in progress</p>
<p><i>Engineering, procurement and construction contract - EPC</i></p> <p>“Cernavodă NPP Unit 1 Refurbishment Works”</p> <p>Main contract for retubing, refurbishment of nuclear part (NSP) / classical part (BOP) and construction of refurbishment infrastructure (EPC)</p>	<p>Contracting in progress</p>
<p>“PMO” Contract-</p> <p>“Project management, technical assistance, consultancy and staff training services for the preparation and deployment of the Cernavodă NPP Unit 1 Refurbishment Project”</p> <p>Tendering procedure by competitive negotiation, CNP SA having been awarded the contract as sole bidder (with OPG as third-party providing support, and Kinetics Romania as subcontractor)</p>	<p>Pending issuance of required corporate approvals for the conclusion of the contract.</p>
<p><i>Contract for staff external training services</i></p> <p>“<i>Professional training services - external training and mentorship for the staff selected for implementing the Cernavodă NPP Unit 1 Refurbishment Project</i>”</p> <p>No. RUEC 1174/24.08.2023 with CNP SA</p>	<p>Framework-Agreement</p> <p>2 subsequent agreements completed</p>