

## JOINT LETTER OF INTENT

### PARTIES:

1. **The State of the Netherlands**, represented by the Minister of Climate Policy and Green Growth and the State Secretary for Public Transportation and the Environment, and for administrative matters (*bestuursrechtelijke aangelegenheden*) the Minister of Climate Policy and Green Growth and the State Secretary for Public Transport and the Environment each in their capacity as administrative body (*bestuursorgaan*), hereafter also referred to as: the "**State**";
2. **The Province of Limburg** represented by the royal commissioner of the Province of Limburg, represented in turn by Stephan Satijn, and for administrative matters (*bestuursrechtelijke aangelegenheden*) the Provincial Executives of the Province of Limburg, in their capacity of administrative body (*bestuursorgaan*), in turn represented by Stephan Satijn, hereafter also referred to as: "**Province Limburg**";
3. **AnQore B.V.** with its registered office in Urmond and its office address at Mauritslaan 49, 6129 EL, Urmond, The Netherlands, represented by its authorised signatory Sebastiaan van Dooren, hereafter also referred to as: "**AnQore**";

The State, the Province of Limburg and AnQore, hereafter individually also referred to as "**Party**" and jointly also referred to as "**Parties**".

## GENERAL CONSIDERATIONS

### Legal and policy framework for CO<sub>2</sub> reduction

1. Parties acknowledge that additional efforts for reduction of Greenhouse Gas Emissions are required to achieve the goals of the Paris Agreement, the European Climate Law, the Dutch Climate Law (*Klimaatwet*) and the last two subsequent Government Programs in place (*regeerprogramma*);
2. The tailor-made approach was introduced in the Government Program of cabinet Rutte IV (dated 15 December 2021) as one of the instruments to increase the national CO<sub>2</sub> reduction targets to at least 55% in 2030 and to aim for 60% CO<sub>2</sub> reduction in 2030 and for climate neutrality in 2050 as well as for the establishment of a green economy that is climate neutral, fossil free and circular. Under the subsequent Government Program of cabinet Schoof (dated 16 May 2024), the tailor-made approach was continued;
3. As laid down in the letter informing parliament about the additional climate policies (*Kamerbrief Voorjaarsbesluitvorming Klimaat*, dated 26 April 2023, Kamerstukken II, 2023/24, 32813, nr. 1230), the proposed target is to reduce CO<sub>2</sub>-emissions from the industry to a maximum of 29.6 million tons (hereafter: "**Mton**") in 2030. This target has been adjusted to 29.1 Mton with the "*Augustusbesluitvorming*" (*Kamerbrief Kabinetsaanpak Klimaatbeleid*, dated 19 September 2023, Kamerstukken II, 2023/24, 32813 nr. 1291);
4. On 21 October 2024, the Minister of Climate Policy and Green Growth presented a national roadmap to accelerate the transition of the Dutch industry towards a climate neutral, fossil free and circular economy (*Routekaart NPVI: Van grijs naar groen*, dated 21 October 2024, Kamerstukken II, 2024/25, 29826, nr. 214);
5. Parties acknowledge that their mutual cooperation will take place in the context of the developing policy around accelerating the transition of the industry;
6. The State aims to facilitate the climate transition of the industry in the Netherlands with, amongst other instruments, the tailor-made approach, initially for the 10-20 largest industrial emitters. In order to reach the additional CO<sub>2</sub>-reduction of 0.5 Mton as set in the "*Augustusbesluitvorming*" (see above), the tailor-made approach has been extended by gauging interest among the numbers 21-30 of the largest industrial emitters, on the condition that they can achieve at least 0.1 Mton additional CO<sub>2</sub> reduction (*Kamerbrief Voortgang Maatwerkafspraken*, dated 18 March 2024, Kamerstukken II, 2023/24, 32816, nr. 203);
7. The aim of the tailor-made approach is to support these companies, based on mutual efforts, in achieving additional and accelerated CO<sub>2</sub> reduction, having a sustainable future in the Netherlands, and where possible, contributing to meeting other sustainability goals in the Netherlands, also in the long term; and
8. When needed, the State, as stipulated in the Dutch Climate Policy Programme, intends to support, among others, AnQore in its endeavors to contribute to additional CO<sub>2</sub> reduction, while considering European principles regarding state aid and a level playing field on the internal market. In doing so, the State aims for a level playing field both within Europe and globally.

### Tailor-Made Approach Sustainable Industry (*Maatwerk aanpak Verduurzaming Industrie*)

9. With the tailor-made approach the State intends to structure the discussions with the largest industrial emitters along the following lines:
  - i. First, discussions will be held to see whether Parties can come to an expression of principles ("**EoP**"), in which they express their intention to further discuss the possibilities of reducing additional CO<sub>2</sub> emissions and reducing the impact of the respective companies on the local environment and the possibilities for the State to assist therewith;

- ii. Second, if an EoP appears to be a good basis for further discussions, Parties intend to continue discussions with the aim of defining the specific measures to be taken and agreeing on those in a draft joint letter of intent ("JLoI");
- iii. Third, the draft JLoI will be submitted to the Advisory Committee for an expert advice to the Minister of Climate Policy and Green Growth with respect to, among other things, feasibility, cost-effectiveness and level of ambition;
- iv. Finally, if a final JLoI has been agreed upon and signed, Parties intend to implement and elaborate on their agreement in a binding tailor-made agreement.

## **SPECIFIC CONSIDERATIONS**

### Introduction AnQore

- 10. AnQore is a Dutch company with its head office in Urmond, the Netherlands and operates a world-scale manufacturing facility on the Chemelot Industrial Park in Sittard-Geleen. AnQore provides direct employment to about 200 people and currently serves customers mainly within the European Union;
- 11. AnQore produces key building blocks for a wide range of products. AnQore's main product is acrylonitrile. Acrylonitrile is an irreplaceable raw material for many products including: ABS, acrylamides, nitrile rubber, carbon fiber, acrylic fiber and DMAPA. These products represent over 95% of demand for acrylonitrile. The benefits these products amongst others bring are i) clean water; ii) clean energy and lightweight transportation; and iii) healthcare and nutrition;
- 12. Parties believe AnQore can play an important role in the energy and sustainability transition in the Netherlands;
- 13. AnQore confirms that it is committed to actively work on maintaining a high level of safety culture. Examples of this commitment are: active participation in the Chemelot safety covenant, yearly Safety, Health & Environment (SHE) plan, independent SHE audits, SHE leadership courses, safety projects in the plant such as installing double block valves and replacing of procedural safeguards by instrumental safeguards;
- 14. AnQore confirms to impose this safety commitment on its supply chain partners such as its transportation partners, customers and suppliers. Examples are introducing sensor technology in transportation, safety and product training and audits at customers and suppliers.

### Policy of AnQore regarding CO<sub>2</sub> reduction

- 15. AnQore aspires to be the global reference company for the production of sustainable acrylonitrile, and to this effect has set the initial goal to become carbon neutral before 2050, in line with the Paris Agreement goals;
- 16. Parties intend to investigate to which extent an acceleration of realizing AnQore's existing sustainability targets requires support of the tailor-made approach by the State;
- 17. AnQore indicates it is committed to the transformation of the acrylonitrile industry towards becoming more sustainable, based on the use and consumption of non-fossil feedstocks, as a result helping companies who use AnQore's products to reduce their Scope 3 emissions;
- 18. Parties agree this transformation can be accelerated by the future availability and accessibility of affordable non-fossil fuels and feedstocks;
- 19. On 13 July 2023 the Parties signed an EoP (Annex I) as defined in article 1 of this JLoI, in which they have outlined a project comprising a new Thermal Oxidizer (hereafter "the Project"). By completion of this Project, AnQore's Greenhouse Gas

Emissions are expected to be significantly reduced (365 kton CO<sub>2</sub> /year), and NO<sub>x</sub> emission and natural gas consumption is expected to be reduced as well.

#### Background N<sub>2</sub>O emission

20. As of early 2027, N<sub>2</sub>O will be classified at EU-level as a substance of very high concern (ZZS, *Zeer Zorgwekkende Stof*) based on its hazardous characteristic of reprotoxic properties. This classification means that N<sub>2</sub>O emissions must be minimized (prevented altogether or, if not feasible, limited to the extent possible), provided this can be done in a cost-effective manner. Furthermore, every five years, a plan will need to be made and sent to the competent authority (i.c. The Province of Limburg) on how the required minimization will be achieved. In addition to this, an emission limit (*emissiegrenswaarde*) and a maximum acceptable risk for immission (*Maximaal Toelaatbaar Risico*) may be established. The possible impact of the recent ZZS-classification of N<sub>2</sub>O will be reviewed by the Parties in the period between signing of the JLoI and the tailor-made agreement, because it may have consequences for (the amount or the possibility altogether of) the financial support to be given by the State.
21. Already since 2018, after its N<sub>2</sub>O emission was first reported in 2017, AnQore has been in contact with the State about its ambitions to reduce its N<sub>2</sub>O emission. According to AnQore, the current off-gas processing installation only abates the N<sub>2</sub>O to a limited extent (~10%) and operating conditions cannot be changed to increase the abatement. Furthermore, according to AnQore, in 2018 the technology readiness of the abatement technology was not sufficient to invest in reducing this N<sub>2</sub>O emission;
22. AnQore has since then put effort in:
  - the development and selection of the best abatement technology;
  - the required optimization of the selected technology;
  - a conceptual design completed in 2023 for the selected technology;
  - a basic design completed late 2024 for the selected technology;
  - and the submission of the environmental permit application early March 2025;
  - According to AnQore between 2018 and 2024, AnQore invested a total amount of 7.6M€ in the development of the Project by a feasibility study (2.7M€), conceptual engineering (1.2M€) and basic engineering (3.7M€);
  - In 2022, The Province of Limburg supported the basic engineering study with a 0.5M€ subsidy.
23. The above-mentioned efforts have resulted in the selection of a preferred abatement technology, namely the Project as described in Article 6.

#### Possible impact of EU ETS legislation

24. Since 2021, N<sub>2</sub>O emissions (including those from the production of acrylonitrile) such as AnQore's N<sub>2</sub>O emission are subject to the Dutch CO<sub>2</sub> Levy;
25. AnQore's N<sub>2</sub>O emission is not included in the EU ETS. Consequently, AnQore currently does not have to surrender EU ETS allowances for its N<sub>2</sub>O emission and does not receive Free allowances;
26. The European Commission has recently announced amendments<sup>1</sup> to implementing regulation EU 2019/1842, changing the methodology of adjustments to free allocation of EU ETS allowances for process emissions, such as AnQore's N<sub>2</sub>O emission assuming a successful inclusion of AnQore's N<sub>2</sub>O emission in EU ETS as described under Article 8 of this JLoI. This recent change will likely improve the

---

<sup>1</sup> Commission Implementing Regulation (EU) XXX/XXXX of XXX amending and correcting Implementing Regulation (EU) 2019/1842 laying down rules for the application of Directive 2003/87/EC of the European Parliament and of the Council as regards further arrangements for the adjustments to free allocation of emission allowances due to activity level changes

incentive for abatement and therefore can also incentivize the execution of the Project by AnQore;

27. Parties expect that if AnQore's N<sub>2</sub>O emission would be included in the EU ETS, AnQore's N<sub>2</sub>O reduction through the Project would likely result in AnQore receiving more Free allowances than they need to surrender. Therefore, Parties acknowledge that this changed EU ETS legislation may have significant financial implications for the Project.

#### Concluding considerations

28. In line with the EoP, Parties have discussed the aforementioned topics in further detail and wish to conclude this JLoI in which the steps to be taken are further concretized; and
29. Parties have agreed to conclude this JLoI in accordance with the terms and conditions set out below.

### **PARTIES HAVE AGREED AS FOLLOWS:**

#### **Article 1 - Definitions**

1. The following terms, if capitalized as indicated, shall have the following meaning:
- a. **Advisory Committee:** the advisory committee "*Maatwerkafspraken Verduurzaming Industrie*" as mentioned in the letter informing parliament on the progress of the tailor-made approach dated 27 February 2023<sup>2</sup>;
  - b. **AnQore:** means AnQore B.V.;
  - c. **CBAM:** EU Carbon Border Adjustment Mechanism, a carbon pricing mechanism on carbon intensive products imported to the European Union;
  - d. **CO<sub>2</sub>:** all Greenhouse Gases, in CO<sub>2</sub> equivalent terms, unless stated otherwise;
  - e. **Dutch Climate Law:** the law enacted on 2 March 2022, also known as the *Klimaatwet*;
  - f. **Dutch Climate Policy Programme:** the governmental policy programme (*beleidsprogramma Klimaat*) dated 2 June 2022 on the main features of the climate policy until 2030 aimed at the realisation of the objectives of the Dutch Climate Law;
  - g. **Dutch CO<sub>2</sub> Levy:** the national levy on industrial CO<sub>2</sub> emissions, governed by the '*Wet belastingen op milieugrondslag*' chapter VIB;
  - h. **DPR:** dispensation rights of the Dutch CO<sub>2</sub> Levy. 1 DPR is equal to 1 ton of CO<sub>2</sub> emission;
  - i. **EU ETS:** EU Emission Trading System;
  - j. **EoP:** expression of principles;
  - k. **Free allowances:** carbon credits used in the EU ETS.
  - l. **Government Program:** the plans of a sitting cabinet of the Netherlands (*regeerprogramma*);
  - m. **Greenhouse Gases:** gases listed in Annex II to Directive 2003/87/EC of the European Parliament and of the Council of 13 October 2003 establishing a scheme for greenhouse gas emission allowance trading within the European Union;
  - n. **Greenhouse Gas Emissions:** the emissions of Greenhouse Gases;
  - o. **Investment:** funds needed for the Project as described in article 6;
  - p. **JLoI:** this joint letter of intent;
  - q. **NEa:** Dutch Emissions Authority (*Nederlandse Emissieautoriteit*);
  - r. **N<sub>2</sub>O:** nitrous oxide gas, a Greenhouse Gas;

---

<sup>2</sup> Kamerbrief *Voortgang over verduurzaming industrie*, d.d. 10 Oktober 2024, Tweede Kamer, vergaderjaar 2023–2024,

- s. **ODZL:** Limburg South Environment Agency (*Omgevingsdienst Zuid-Limburg*)
- t. **Parties:** the Parties to this joint letter of intent;
- u. **Permits:** any permits, licenses, exemptions, consents or other authorizations that AnQore requires from the State or any (local) governmental organization for the realization of the Project;
- v. **Project:** the project described in article 6;
- w. **Site:** the production location owned and operated by AnQore in Geleen, the Netherlands;
- x. **ZZS:** Substances of Very High Concern.

## **Article 2 – Path to final JLoI and tailor-made agreement**

1. Parties agree that this JLoI is concluded in two phases as described in this JLoI.
2. In Phase I the JLoI is drawn up in draft form (*concept*). In Phase I the State will conduct a financial and technical review of AnQore's business plan and financial model as mentioned in Article 6. If determined by the State, a second opinion can be performed on any of these points after signing the JLoI and before signing the tailor-made agreement. The draft JLoI is subsequently submitted to the Advisory Committee.
3. The Advisory Committee will render a non-binding advice to the Minister of Climate Policy and Green Growth with respect to among other things feasibility, cost-effectiveness and level of ambition of the intended tailor-made agreement.
4. The Advisory Committee may further advise the Minister of Climate Policy and Green Growth on her request.
5. In Phase II – after receipt of the advice of the Advisory Committee – the Minister of Climate Policy and Green Growth will conclude whether or not the JLoI could be finalized and signed.
6. After the advice of the Advisory Committee:
  - a. the JLoI is finalized and signed by all Parties; or
  - b. Parties resume the negotiations and amend the JLoI, after which the JLoI is signed by all Parties; or
  - c. (one of) the Parties terminate(s) the negotiations about the JLoI.
7. Parties acknowledge that until the JLoI is duly signed, the JLoI is neither concluded nor binding and Parties are entitled to terminate the negotiations at any time for any reason, in which case the terminating Party is not liable for any damages or compensation of costs towards (any of) the other Parties.
8. Parties acknowledge that any support of the State shall always be subject to the condition of compliance with the applicable state aid framework and, if necessary, approval from the European Commission (EC).
9. After agreeing and signing the JLoI, Parties will continue their discussions and intend to reach agreement on the final tailor-made agreement by September 2025 at the latest, or such later date as agreed between the State and AnQore. If no agreement has been reached on 1 October 2025, or such later date as agreed between the State and AnQore, each Party may terminate the JLoI.
10. After agreeing and signing the JLoI, the signed JLoI and the advice of the Advisory Committee will be made public by the State.

## **Article 3 – Aim**

1. The primary aim of this JLoI is to come to a tailor-made agreement to be entered into between the Parties in respect of the Project.
2. The aim of the Project is a reduction of AnQore's CO<sub>2</sub> emissions of 365 kton/year by 2029 compared to 2020;
3. The Project is also expected to result in:

- a. a direct reduction of the use of natural gas by AnQore, and in the future a potential further reduction by replacement of natural gas fuel with other non-fossil fuels like hydrogen or biogas;
  - b. a direct reduction of NO<sub>x</sub> emission by AnQore;
  - c. a direct reduction of the impact on the local environment by reducing the emission of substances of high concern (ZZS).
- 4. The Project will contribute to maintaining acrylonitrile production in the Netherlands while ensuring lower CO<sub>2</sub> emissions.

#### **Article 4 – Scope of JLoI and the intended tailor-made agreement**

- 1. The scope of this JLoI and the intended tailor-made agreement is the Project.
- 2. Other relevant stakeholders of the Project will likely need to be involved directly or indirectly as part of the tailor-made agreement. The relevant stakeholders are without limitation:
  - a. Chemelot Site Permit B.V. (CSP), as permit holder, DPR and EU ETS recipient and distributor;
  - b. Utility Support Group B.V. (USG), as owner of the current thermal oxidizer and future customer of AnQore's steam supply;
  - c. AnQore is currently engaging with other private site users as potential investors and strategic partners for the Investment. Due to confidentiality, these specific parties cannot be named.
  - d. Invest-NL, entity with a possible role in the financing of the Project.
- 3. In order to prevent a "*waterbed effect*", CO<sub>2</sub> dispensation rights under the Dutch CO<sub>2</sub> Levy linked to the Project to be realised by AnQore under the tailor-made approach must not be used to compensate a shortage of dispensation rights of any other industrial installation or for any other purpose. Therefore, in the tailor-made agreement and/or the relevant subsidy decision(s), AnQore warrants (*garandeert*) with respect to each AnQore industrial installation that any surplus of CO<sub>2</sub> dispensation rights under the Dutch CO<sub>2</sub> Levy that may result from the tailor-made approach are not used (with exception of use for carry back) and/or transferred inside or outside AnQore and that it will take all necessary actions to ensure this. An exact calculation (method) will be included in the tailor-made agreement between the State and AnQore.
- 4. In case of any breach of paragraph 4.3 above, AnQore shall be in default and shall forfeit to the State without further notice of default a penalty equal to 110% of the amount as referred to in section 71p subsection 1. under a. in conjunction with subsection 2. of the Dutch Environmental Taxes Act (*Wet belastingen op milieugrondslag*) for each concerning CO<sub>2</sub> dispensation right, without prejudice to the right of the State to claim any damages suffered as a result of a breach of paragraph 4.3 or to claim performance, in addition to the penalty thus forfeited. The State and AnQore agree that the aforementioned amount is a reasonable penalty amount, in light of the purpose of this provision mentioned in paragraph 4.3 above.
- 5. This provision (article 4.3 and 4.4) will be included in the tailor-made agreement between the State and AnQore and/or the relevant subsidy decision(s).

#### **Article 5 – AnQore's sustainability ambitions**

In this Article, AnQore's autonomous sustainability ambitions without support of the tailor-made approach are described. The tailor-made agreement has the objective of accelerating these sustainability ambitions.

AnQore aims to achieve climate neutrality in Scope 1 by 2050, to have reduced its Scope 2 emissions by 100% by 2030 and to reduce the use of fossil feedstocks by 100% by 2040. The targets as set out in table 5.1 below summarize the long-term targets:

|                                              |              |
|----------------------------------------------|--------------|
| Sustainability ambitions                     |              |
| Scope 1 reduction                            | 70% by 2040  |
| Scope 1 reduction                            | 100% by 2050 |
| Scope 2 reduction                            | 100% by 2030 |
| Fossil feedstock reduction/Scope 3 reduction | 100% by 2040 |

*Table 5.1 Long term targets*

To achieve Scope 1 emission target of 70% by 2040, AnQore plans to build and operate a new thermal oxidizer in 2040. A further reduction of Scope 1 emissions to 100% by 2050 will require the replacement of natural gas fuel with other non-fossil fuels (like hydrogen or biogas), and a further reduction of volatile organic compounds ("VOC's") in off-gas by process optimization and CO<sub>2</sub> capturing technology.

To achieve Scope 2 emission target in 2030, AnQore plans to have sourced renewable energy for all its electricity demand.

AnQore has made a significant step to achieve the fossil feedstock reduction target of 2040 by completing an infrastructure project in 2023 which makes it possible to use fossil free feedstock on site. By 2040 AnQore plans to solely use non-fossil feedstocks.

Highlights of AnQore's progress made in the context of its ambitions are published in a report which can be found on the corporate website "<https://www.anqore.com/en/our-commitment/sustainability>"

## **Article 6 – AnQore's Project**

AnQore has shared a business plan and financial model with the State. These two documents describe the Project and business plan in more detail and are an integral part of this JLoI. For business confidentiality reasons, the business plan and financial model will not be published.

### **1. Project Thermal Oxidizer**

#### Introduction

During the reaction process of acrylonitrile, various waste streams need to be processed. AnQore has evaluated several off-gas processing options, resulting in the selection of a new thermal oxidizer as the only technically viable solution to abate N<sub>2</sub>O emission.

The new thermal oxidizer will have a novel design due to its multiple purpose of reducing the emission of acrylonitrile, N<sub>2</sub>O, NO<sub>x</sub> as well as reducing or minimizing other emissions of substances of high concern.

The aim of this JLoI and the intended tailor-made agreement is to accelerate the Project to achieve 68% reduction of its Scope 1 CO<sub>2</sub> emissions as of 2029 instead of 2040.

#### Technical description

The Project consists of:

- A gas fired thermal oxidizer operated at higher temperature compared to the current TO and designed to not only destruct volatile organic compounds (VOCs) but also N<sub>2</sub>O.
- Technical readiness to be able to replace natural gas with non-fossil fuels.



- Optimized heat integration for minimized natural gas consumption.
- Downstream boiler to recover remaining waste heat as high pressure steam.
- Downstream selective catalytic reduction (SCR) for catalytic destruction of NO<sub>x</sub>.

Timeline for realization of the Project and key moments in time;

| Date           | Activity                                                                  | Duration              |
|----------------|---------------------------------------------------------------------------|-----------------------|
| March 5, 2025  | Environmental permit application                                          | 6 months + 2x 6 weeks |
| May 2025       | Selection of OEM supplier                                                 |                       |
| September 2025 | Final Investment Decision                                                 |                       |
| October 2025   | Start detail engineering                                                  | Ca. 12 months         |
| October 2026   | Building permit application                                               | 8+6 weeks             |
| December 2026  | Start construction                                                        | Ca. 18 months         |
| July 2028      | Commissioning of the Project                                              |                       |
| December 2028  | Start-up Project and Decommissioning of existing thermal oxidizer (F3400) |                       |

### Financial Summary

The Project does not lead to a capacity expansion. The total Investment required for the Project is approximately 122 million Euro (with a  $\pm 10\%$  accuracy at this stage of the Project). This Investment has no positive payback within the duration of the Project.

Funding gap (onrendabele top):

The financial model of the Project has several key parameters;

- Pricing of N<sub>2</sub>O emissions  
In the current situation AnQore's N<sub>2</sub>O emissions are not included in EU ETS, which results in limited CO<sub>2</sub> costs from the Dutch CO<sub>2</sub> Levy when emissions are not abated.
- CO<sub>2</sub> curves  
EU ETS income is a prerequisite for the financial feasibility of the Project. The sale of surplus of allowances under EU ETS has a significant impact on the viability of the Project. The EU ETS price sensitivity is not symmetrical, a higher EU ETS price lowers the funding gap significantly while a lower EU ETS only increases the funding gap by a limited amount.
- Energy and OPEX efficiency  
Although 25% less gas consumption is expected, this efficiency gain has a limited positive effect on the OPEX of the Project. Lower gas costs are compensated by less steam production and thus lower revenues.

Other factors such as steam offtake guarantees, are not accounted for in the financial model but may influence AnQore's final investment decision.

The financial model of the Project (based on the current insights and available forecasts, and including the possible financial upside of EU ETS) results in an estimated funding gap of 44.5 million Euro.

Financing gap (financieringskloof):

AnQore has indicated that financing the Project is challenging. Firstly, because AnQore is currently limited in its investment capacity when bringing the Project forward to 2029. In addition, the negative economic climate for the chemical industry in terms of high costs and lower demand during last few years is putting strain on the operating rate and profit of AnQore.

For the purpose of financing the Project, AnQore has looked into the option of a Special Purpose Vehicle (SPV). In this arrangement external parties, preferably located at the Chemelot Industrial Park, could participate in the financing of the Project. AnQore has been provided with confidential non-binding support letters from two parties, confirming their intention of supporting the Project.

Secondly, according to AnQore, financing the Project is challenging due to the fact that the funding gap heavily depends on the future income resulting from a surplus of EU ETS allowances in the period 2029 till 2035. AnQore indicates that possible changes in EU ETS policy might strongly affect this future income from free allowances. According to AnQore, this makes it challenging to attract the required debt capital fully from the commercial sector.

Results:

The Project should result in an expected total reduction of 68% of AnQore's Scope 1 CO<sub>2</sub> emissions totaling to 365 kton/year from 2029 onwards compared to the year 2020 (of which 101 kton is an additional reduction of CO<sub>2</sub> emissions beyond the CO<sub>2</sub> reduction required to achieve an emission level equal to the expected amount of CO<sub>2</sub> dispensations rights in 2030 under the Dutch CO<sub>2</sub> levy).

- In addition to this CO<sub>2</sub> reduction, the execution of the Project is also expected to result (per year from 2029 onwards compared to reference year 2020) in:
  - Reduction of NO<sub>x</sub> emission of more than 50% totaling to a reduction of 100 ton;
  - Reduction of natural gas consumption of 25% totaling to a reduction of 4 million m<sup>3</sup>;
  - Reduction of the intake of water from the Juliana canal of 17% totalling to a reduction of 100,000 m<sup>3</sup>;
  - Reduction of emissions of Total Volatile Organic Compounds (TVOC) of 1 ton;
    - This reduction includes alkanes like propane and ethane, and other TVOC compounds.
    - Although not a TVOC, within this reduction also acrylonitrile (ZZS) and hydrogen cyanide is included. Although the acrylonitrile (ZZS) and hydrogen cyanide emissions are expected to be under the detection limit, due to the higher residence time and higher temperatures of the Project, these emissions will expected to be further reduced.
  - Equal or positive impact on noise, external safety, and emission to water;
  - An increase in ammonia emissions of 5t/year is expected. This emission is well within the BREF (BAT Reference documents). Considering the benefits of the Project, amongst others an expected net positive impact on nitrogen deposition, this increase is considered to be acceptable.

## **Article 7 – Efforts and actions by AnQore**

### **1. Project execution**

AnQore will plan and work out the Project as described in article 6 by:

- Assigning a dedicated project team;
- Creating a detailed project planning; and
- Performing basic engineering of the Project.

### **2. Financing**

AnQore will use reasonable efforts to arrange sufficient financing for the Project, from its accumulated cash, its shareholders and from external parties if needed such as, and not limited to, private banks, commercial investors or commercial parties and entities like Invest-NL, and the Province of Limburg.

As shown in the financial model, a possible surplus of free allowances under EU ETS has a significant impact on the potential return of the Project. Further to Article 8.1 AnQore will cooperate to an EU ETS opt-in of the N<sub>2</sub>O emission as a result of AnQore's acrylonitrile production.

AnQore will before the end of September 2025 finalize the detailed financial model which substantiates the requested financial support from the State for the Project.

The financial model includes a sensitivity analysis on at least:

1. The operational production level;
2. Amount of free allowances of EU ETS based on amongst others process emission factor, correction factor, timing of the Project, and implications of CBAM;
3. CAPEX estimate of the Project; and
4. Natural gas and steam prices.

AnQore will use reasonable efforts to apply successfully for available options for financial support by the State.

### **3. Permitting**

- a) AnQore will timely prepare and submit permit applications specific to this Project (including 'omgevingsmanagement');
- b) AnQore will periodically schedule meetings with the relevant competent authorities to review the Project and associated impact on application;
- c) AnQore and the State will periodically schedule meetings between them and the competent authorities to discuss the progress in the permitting process; and
- d) AnQore will use reasonable efforts to maintain a good relationship with surrounding communities, inform local residents during the permitting process, and consider their input during permit applications.

### **4. Infrastructure**

AnQore will plan and prepare all infrastructural changes on AnQore's Site which are necessary for the Project. In the future, when sustainable fuels are available for an affordable price, AnQore will plan and work out infrastructural changes which are necessary to use these fuels in the Project.

### **5. Fossil feedstock reduction**

AnQore will use reasonable efforts to gradually replace its fossil feedstock by non-fossil feedstock, when available and affordable on the Chemelot site. It will work with its suppliers to reduce the carbon footprint of remaining fossil feedstock. This combined approach supports AnQore's ambition to reduce its scope 3 emissions by 25% by 2030, 50% by 2035, and fully by 2040.

## **Article 8 - Efforts and actions by the State**

### **1. To include AnQore's N<sub>2</sub>O emission in EU ETS.**

The State will use reasonable efforts within its purview to include the specific N<sub>2</sub>O emission of AnQore in EU ETS. These efforts include:

- a. The State intends to unilaterally include N<sub>2</sub>O emission of acrylonitrile production in the EU ETS via the procedure described in Article 24 of Directive 2003/87/EC (national opt-in) per 2027. The European Commission has stated criteria for a national opt-in. Therefore, the State will engage with the European Commission to discuss timing, scope of N<sub>2</sub>O emission and the requirements to opt-in. The State will be in close contact with AnQore on the progress, and AnQore will provide additional information if necessary. The State will send a formal request to the European Commission to opt-in AnQore's N<sub>2</sub>O emission in the EU ETS. As per article 24(1) of Directive 2003/87/EC, the European Commission decides whether to approve the opt-in request, therefore the State cannot guarantee the outcome of this decision. This decision is currently expected by September 2025.
- b. If a national opt-in is unsuccessful, as an alternative, the State will advocate to include N<sub>2</sub>O emission of acrylonitrile production in Annex I of Directive 2003/87/EC, which would include these emissions in the EU ETS in all EU Member States.

In the scenario of a successful national opt-in, the State will subsequently advocate to include N<sub>2</sub>O emissions of acrylonitrile production in the EU ETS in all EU Member States. This inclusion in EU ETS in all Member States will contribute to a level playing field in the European Union, and may create the opportunity to include acrylonitrile, including its N<sub>2</sub>O emission, in CBAM. The State will at a later stage decide which position it will take on whether or not acrylonitrile and its N<sub>2</sub>O emission should be included in the CBAM.

### **2. Financial support from the State**

AnQore has shared a detailed financial model with the State. This model, and the assumptions made therein, are validated by financial experts from the Netherlands Enterprise Agency ("**RVO**"). The Advisory Committee has also received the financial model. For business confidentiality reasons, the financial model will not be published.

Based on the financial model, the Parties agree that AnQore requires financial support to realize the Project. Without such support the return of the Project would be below its weighted average cost of funds and the Project would not be able to attract sufficient financing. Based on the current insights and available forecast a financial support of 44.5 million Euro would be required to take a final positive investment decision. As indicated in consideration 20, the further review of the consequences of the ZZS-classification of N<sub>2</sub>O may lead to an adjustment of the financial support by the State and/or to additional conditions for such support.

Currently, there is no generic support instrument (timely) available and suitable for the Project. Therefore, the State will use reasonable efforts to investigate tailor-made support. The current sensitivity analyses of the financial model indicate that the definite funding gap could be higher or lower than 44.5 million Euro. The possible support from the State will, however, not exceed an amount of 46 million Euro. The tailor-made support by the State could potentially be supplemented by financing from the Province of Limburg and/or Province of Limburg affiliated investment fund and/or Invest-NL.

Next to investigating a tailor-made support, the State will assess if existing or new generic subsidy schemes may be applicable for the Project. For instance, based on the financial model of the Project it is expected that the new NIKI subsidy scheme could be an applicable generic support instrument for the Project. This new subsidy instrument was published on June 19<sup>th</sup> 2025 and will be open for applications from the 1<sup>st</sup> to 30<sup>th</sup> of September 2025. The timing currently does not match AnQore's timeline for the realization of the Project. Therefore, at this time, the tailor-made support is considered the most likely support instrument for the Project.

The final financial support that may be agreed on will have to be discussed in further detail, with potential final refinements on updated CAPEX estimates, updated EU ETS price estimates and CO<sub>2</sub> curves, etc.

The State will as soon as reasonably possible and with the cooperation of AnQore if required, look into the options through which AnQore can be financially supported. The following applies:

1. In the event of financial support through an existing or new generic subsidy scheme, such subsidy can and will only be provided and executed under the condition that there is a legal basis for such subsidy, and the subsidy complies with the terms and conditions (e.g. scope, application formats, deadlines and subsidy decision) of that subsidy;
2. In the event of a tailor-made support, such can and will only be provided and executed under the condition that there is a legal basis for providing such tailor-made support, and the tailor-made support complies with the regulations of the European state aid rules and the national regulations applicable to such tailor-made support;
3. Any financial support will need to comply with all applicable rules and regulations at the time of the decision, such as the applicable budget rules and procedures; and
4. In the case of tailor-made support, arrangements will be made to avoid overcompensation of AnQore by the State for the Project. This can be as agreed as a contractual settlement of surplus financial results during the lifetime of the Project in case the realised return is higher than the weighted average cost of capital of the company, for instance because the actual revenues from sale of free allowances of EU ETS are higher than anticipated.

#### Next steps

After signing this JLoI, but before entering into the tailor-made agreement, Parties will determine whether the Project can be fully financed. Among others, the following topics need to be validated:

- a. the need for and structure of possible subsidies and financing (also in line with relevant guidelines on state aid) as well as the (financial) guarantees to be provided for the proper fulfilment of AnQore's obligations in respect of that subsidy and/or financing;
- b. in this context, the consequences of the classification of N<sub>2</sub>O at EU-level as a ZZS will be further examined and Parties will need to determine how future developments in this regard will be accounted for in (the conditions of) the tailor-made agreement;
- c. an appropriate mechanism to avoid 'over-subsidisation' ('claw-back' of state aid) in line with state aid regulations;
- d. a mechanism to handle identified risks, including but not limited to:
  - o failure to achieve the targeted CO<sub>2</sub> reductions;
  - o delay in the execution of the Project; and
  - o financial guarantees for a potential payback obligation to the State of financial support received from the State.

### 3. Permitting

- a. The State will, where possible and within its purview, and whilst respecting the respective authority and function under public law, facilitate and encourage relevant public entities and authorities whose actions and/or decisions are required for obtaining any Permit to contribute to timely decision making.
- b. The State aims to provide financial aid to the authorities responsible for the relevant permitting procedures under Dutch law – so as to provide them with additional means to expand their human capital resources to form an 'expert pool' – which aims at generating a context within which permitting procedures can be executed in a timely manner.
- c. Parties will consult with the relevant national, regional and local authorities and their advisers (if any) to come to an aligned view on the relevance and prioritisation of the Project.

## **Article 9 - Efforts and actions by the Province of Limburg**

### 1. Financial support from the Province of Limburg

Province of Limburg to use reasonable efforts to look into the options through which the Project can be (financially) supported.

### 2. Permitting

The relevant competent authority for the required Permits of the Project is the Provincial Executive of Limburg (*Gedeputeerde Staten van provincie Limburg*).

- Nature permit: Provincial Executive of Limburg
  - Environmental permit: Provincial Executive of Limburg (ODZL)
  - Building permits: Provincial Executive of Limburg (ODZL)
  - Internal netting of nitrogen emissions: Provincial Executive of Limburg
- a. The Province of Limburg will, together with AnQore and ODZL, jointly explore different options for Permit procedures with the shortest lead time.
  - b. The Province of Limburg to use best efforts to procure that capacity and capabilities are in line with the agreed Permit procedures (timing and milestones).
  - c. The Province of Limburg will facilitate, where possible and within its purview, timely decision-making on Permit applications for any Permit and, whilst respecting the respective competent authority and function under public law, encourage relevant public entities and authorities whose actions and/or decisions are required for obtaining any Permit to contribute to timely decision making.
  - d. The Province of Limburg will support AnQore and the State with a meeting between them and the competent authority to discuss the progress in the permitting process.

## **Article 10 - No limitation of authority and discretion public bodies and authorities**

This JLoI or its content in no way limits or affects the authority and/or discretion of the relevant public bodies or authorities, for instance with respect to, but not limited to, licensing, review of permit applications or enforcement.

## **Article 11 – AnQore in the Netherlands**

AnQore has the ambition to remain a leading Dutch company and employer of choice. AnQore anticipates for the long term, beyond the term of the conclusion of the tailor-made agreement and the realization of the Project, to maintain its business operations and production capacity in the Netherlands.

To that effect AnQore intends, among others:

- to continue investing in sustainable projects in its Dutch production facilities;
- to keep one or more registered offices in the Netherlands;

- to keep its production capacity in the Netherlands at least at current levels assuming equal market demand;
- to remain a substantial employer at its Site and its Dutch office.

## **Article 12 - Governance**

1. Both AnQore and the State will appoint a dedicated project team consisting of different areas of expertise. The project teams of AnQore and the State will meet on a frequent basis to further develop and monitor progress on the tailor-made agreement and the Project. Until at least the tailor-made agreement is signed, the project team will remain in place and continue to perform its duties.
2. If the Parties cannot reach agreement on certain (sub)topics, the following options for escalation will be available (in that order), without prejudice, however, to article 26:
  - a. the matter should first be discussed between the department "Verduurzaming Industrie" of the Ministry of Climate Policy and Green Growth, management of AnQore and if applicable the provincial deputies involved;
  - b. if an agreement cannot be reached between parties mentioned under paragraph 12.2.a, the matter will be discussed between the senior management of AnQore and the director-general for Industry Policy and Innovation of the Ministry of Climate Policy and Green Growth;
  - c. ultimately, if an agreement cannot be reached between parties mentioned under paragraph 12.2.b, the matter will be discussed between the CEO of AnQore and the Minister of Climate Policy and Green Growth.
3. Upon signing the tailor-made agreement, the Parties will agree on the adequate future governance structure, including an adequate monitoring system. In the monitoring, information will be collected on progress made on crucial project stages, the steps taken by the Parties; the realization of the aims specified in the agreement (CO<sub>2</sub> emission reduction, CO<sub>2</sub> dispensation rights, reduction of NO<sub>x</sub> emissions, health improvement etcetera); timelines of the realization. All Parties will report on the progress on a regular basis, but at least once a year. The tailor-made agreement will describe the details of the monitoring process.
4. The CEO of AnQore and the Minister of Climate Policy and Green Growth or their representatives will meet once a year to discuss progress on the Project, the tailor-made agreement and/or ancillary matters.

## **Article 13 – Change of law, unforeseen circumstances**

1. In this JLoI, unless the context requires otherwise, references to a statutory provision include references to that statutory provision as amended from time to time, extended or re-enacted and any regulations made under it, provided that in the event that the amendment, extension or re-enactment of any statutory provision or introduction of any new statutory provision has a material impact on the obligations of one or more Parties, the Parties will negotiate in good faith to agree such amendments to this JLoI as may be appropriate in the circumstances as to minimize the consequences for any terms and obligations hereunder.
2. If, within a reasonable period of time, AnQore and the other Parties cannot reach agreement on the nature of the changes required or other terms and conditions, either Party may seek to have the matter determined in accordance with Article 26 (Jurisdiction) below.
3. During the term of this JLoI, circumstances or developments might occur which are not provided for in this JLoI, but which are relevant for the implementation of this JLoI. It is possible that as a consequence of such circumstances or developments, the unaltered maintenance of this JLoI cannot reasonably be expected from one or more Parties. In that case, the Parties shall at the first request of one of the Parties

enter into good faith consultations about such reasonable amendment of this JLoI as is necessary to overcome the negative consequences of those circumstances or developments as much as possible, whilst the content and purport of this JLoI are maintained as much as possible. If such amendment is not agreed upon within two months after such request was submitted, either Party may bring an action before the competent court to amend this JLoI with the application of the principles referred to above.

#### **Article 14 – Term and termination**

1. This JLoI comes into force after all Parties have signed the JLoI and shall then constitute legally valid, binding and enforceable obligations on the Parties hereto.
2. A Party may terminate (*opzeggen*) the JLoI with immediate effect, upon service of a notice in writing, if:
  - a. Parties have not reached an agreement on the final tailor-made agreement on 1 October 2025 or such later date as agreed between the State and AnQore at the latest; or
  - b. One of the other Parties becomes bankrupt or insolvent, goes into liquidation, has a receiving or administration order made against it, compounds with its creditors, or carries on business under a receiver, trustee or manager for the benefit of its creditors.
3. The State may terminate the JLoI with immediate effect, upon service of a notice in writing, if:
  - a. there is a change in the identity of the entity or entities that directly or indirectly control AnQore provided that this change in the identity materially affects the legitimate interests of the State; or
  - b. in case AnQore is convicted of a criminal offence by a court in first instance. In case of a criminal prosecution, Parties will discuss with each other whether this presents a circumstance or development as mentioned in article 13 section 3.
4. The terminating Party is not liable for damages or compensation of costs towards (any of) the other Parties.
5. In case of termination of this JLoI, Parties are no longer bound to the obligations set out in this JLoI.

#### **Article 15 – (Termination) clause in case of new or changed policy; status controversial**

1. Without prejudice to any other (termination) rights and/or obligations and/or remedies the State and/or AnQore and/or The Province of Limburg may have, invoke or rely on under this JLoI, either the State or AnQore can terminate (*opzeggen*) this JLoI partially or entirely with immediate effect upon serving a notice in writing to the other parties, if and to the extent this JLoI becomes partially or entirely incompatible with:
  - any policy of a new government installed after the fall of the government on 3 June 2025 not to proceed with the tailor-made approach or not in a manner as laid down in this JLoI or not to make available (sufficient) funds for the tailor-made approach; and/or
  - the Second and/or First Chamber of Dutch Parliament (*Eerste en/of Tweede Kamer*) having declared controversial (*controversieel verklaren*) in view of the government's status as caretaker government (*demissionair kabinet*) since 3 June 2025:
    - a) the tailor-made approach sustainable industry (*maatwerkaanpak verduurzaming industrie*); and/or
    - b) this JLoI or a part thereof; and/or



- c) all or part of the obligations ensuing from this JLoI for the State; and/or
  - d) the full or part of the execution of this JLoI by the State; and/or
  - e) any further negotiations about or the conclusion of – binding – tailor-made agreements ((*bindende*) *maatwerkafspraken*) with the selected companies, including AnQore.
2. The State shall not be liable towards nor be required to otherwise compensate AnQore and or The Province of Limburg:
    - for any damage AnQore and/or The Province of Limburg may suffer as a consequence of any termination of this JLoI or any part thereof pursuant to Article 15 paragraph 1; nor
    - for any costs and/or for any investments made by AnQore and/or The Province of Limburg in respect of any:
      - o obligation ensuing from the JLoI that was – partially – fulfilled and/or
      - o activity that was carried out in relation to the part or parts of this JLoI which is or are terminated pursuant to Article 15 paragraph 1, prior to the moment as of which that part or those parts of this JLoI is or are terminated pursuant to Article 15 paragraph 1.
  3. In the event of termination of this JLoI or any part thereof as per Article 15 paragraph 1 the Parties shall remain committed to discuss with each other if and to what extent the State's policy in respect of the Paris Agreement, European Climate law and the Dutch Climate Law (*Klimaatwet*) on the one hand and AnQore sustainability and carbon dioxide (CO<sub>2</sub>) emission reduction goals in the Netherlands on the other can be reconciled, however not as part of the tailor-made approach. This article does not imply or entail any rights or entitlement for any Party to compensation whatsoever nor any commitment by any Party to support the other Party's policy or goals as meant in the preceding sentence.

#### **Article 16 - Implementation in accordance with the law**

1. The agreement set out in this JLoI and their further elaboration will be implemented in accordance with international law, European law and Dutch law, in particular to the extent that the agreement are within the scope of the international, European and Dutch rules on procurement, competition, state aid and technical standards and regulations.
2. The Parties acknowledge that for the determination and provision by the State of the financial support that AnQore may be entitled to, the applicable national and European legislation at the time of the provision of the support, or at the time that a final draft subsidy decision (and where applicable a final draft of an implementation agreement or other documentation) is submitted to the European Commission for approval (whichever is earlier), will be decisive to determine whether and if yes, to what extent the Project meets the criteria for additional CO<sub>2</sub> reduction and the principles of state aid. If that determination deviates from the current expectations, the Parties shall in good faith discuss an adjustment of this JLoI.

#### **Article 17 – Notices**

Any notice and correspondence under this JLoI must be in writing and is sent to a Party by letter or email to the address set out in Annex II of this JLoI.

#### **Article 18 – Costs**

Each Party bears its own costs incurred with the negotiation, preparation, signature and performance in connection to this JLoI (and any documents referred to in the JLoI) and its own costs associated with the activities intended to be carried out under this JLoI, unless otherwise specified in this JLoI or if and when Parties agree otherwise in writing.

**Article 19 – Assignment**

Unless provided otherwise in this JLoI, no Party may assign this JLoI (*contractsoverneming*), assign any of its rights hereunder, or have such rights transferred by way of a legal merger or demerger, without the prior written consent of all other Parties.

**Article 20 – Amendments**

Any amendments or additions to this JLoI shall be valid and binding only if made in writing and signed by all Parties.

**Article 21 – Partial Invalidity**

If, at any time, any term of this JLoI is or becomes illegal, invalid or unenforceable in any respect, or this JLoI is or becomes ineffective in any respect, under the laws of any jurisdiction, such illegality, invalidity, unenforceability or ineffectiveness shall not affect:

- a. the legality, validity or enforceability in that jurisdiction of any other term of this JLoI or the effectiveness in any other respect of this JLoI in that jurisdiction; or
- b. the legality, validity or enforceability in other jurisdictions of that or any other term of this JLoI or the effectiveness of this JLoI under the laws of such other jurisdictions.

**Article 22 – Third Party Rights**

Parties do not intend for any third party to have any rights under this JLoI or be able to enforce this JLoI. Furthermore, Parties exclude - to the extent permitted under applicable law - any such third-party rights that might otherwise be implied.

**Article 23 – Entire Agreement**

This JLoI constitutes the entire agreement between Parties with respect to the subject matter thereof

**Article 24 – Counterparts**

This JLoI may be executed in any number of counterparts and this has the same effect as if the signatures on the counterparts were on a single copy of this JLoI.

**Article 25 - Governing law**

This JLoI and any non-contractual obligation arising out of or in connection with it are governed by and shall be construed in accordance with the laws of the Netherlands.

**Article 26 – Jurisdiction**

Any dispute in connection with this JLoI, including a dispute regarding the existence, validity or termination of this JLoI or the consequences of its nullity or any non-contractual obligation arising out of or in connection with this JLoI, shall be subject to the exclusive jurisdiction of the courts of The Hague, the Netherlands.

*[Remainder of the page intentionally left blank – signature page on the next page]*

**Signed in [4] original copies, each in the English language.**

**Minister of Climate Policy and Green Growth,**

*acting in her capacity as administrative body (bestuursorgaan) and as representative of the State of the Netherlands,*

---

By: Ms. S.T.M. Hermans

Place:

Date:

State Secretary for Public Transport and the Environment

*acting in his capacity as administrative body (bestuursorgaan) and as representative of the State of the Netherlands,*

---

By: Mr. A.A. Aartsen

Place:

Date:

**Province of Limburg,  
Provincial Executive**

---

By: Mr. S.H.M. Satijn

Place:

Date:

**AnQore B.V.**

---

By: Mr. S.B. Van Dooren

Place:

Date:

Annex I: Expression of Principles between AnQore, and Minister of Climate Policy and Green Growth, State Secretary of Infrastructure and Water Management, and the Province of Limburg.

Annex II: Addresses for notices

**Annex I - Expression of Principles between AnQore, and Minister of Climate Policy and Green Growth, State Secretary of Infrastructure and Water Management, and the Province of Limburg.**

## **Annex II– Addresses for notices**

Any notice and correspondence under this JLoI must be in writing and is sent to a Party by letter to the following address:

### **For the State:**

Ministerie van Klimaat en Groene Groei  
Directie Verduurzaming Industrie  
Postbus 20401  
2500 EK Den Haag

### **For AnQore:**

AnQore B.V.  
Mauritslaan 49  
6129 EL Urmand  
[ContactUs@AnQore.com](mailto:ContactUs@AnQore.com)

### **For the Province of Limburg:**

Provincie Limburg  
Postbus 5700  
6202 MA Maastricht  
[postbus@prvlimburg.nl](mailto:postbus@prvlimburg.nl)