

**February 2022**



# **NEXT Carbon Solutions**

A subsidiary of NextDecade Corporation

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Additional factors that you should consider are set forth in detail in the “Risk Factors” section of the Company’s most recent Annual Report on Form 10-K as well as other filings the Company has made and will make with the Securities and Exchange Commission which, after their filing, can be found on the Company’s website, [www.next-decade.com](http://www.next-decade.com).

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**NASDAQ: NEXT**



**NEXT  
DECADE**

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# NEXT Carbon Solutions Strategy

- Provide end-to-end solutions for reducing CO<sub>2</sub> at industrial facilities
- Utilize our engineering and project management expertise to lower the capital and operating costs of carbon capture and storage at industrial facilities
- Partner with industrial facilities to invest in the deployment of carbon capture and storage at the source
- Increase the value of the industrial facilities by integrating the carbon capture and storage project into the industrial facilities' operations
- Share in the value created via commercial agreements and by investment



## Lower Global CO<sub>2</sub> Emissions

We are committed to lowering global CO<sub>2</sub> emissions and creating sustainable solutions utilizing carbon capture and storage



## Reduce Cost of Utilizing CCS

Our proprietary processes enable cost-effective deployment of CCS in industrial facilities around the world

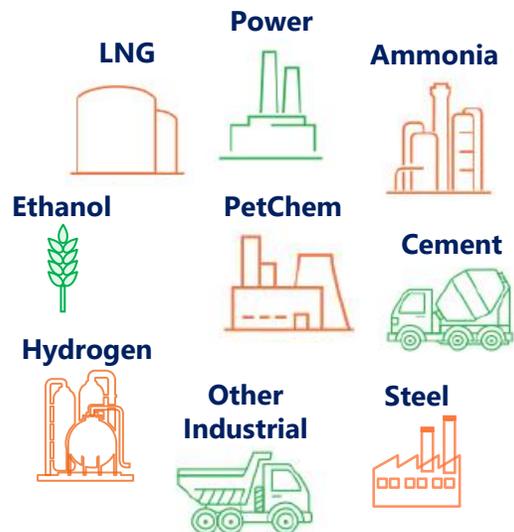


## Accelerate Path to Net-Zero Future

Implementation of CCS is a critical component of achieving global climate goals and accelerating the path to a net-zero future

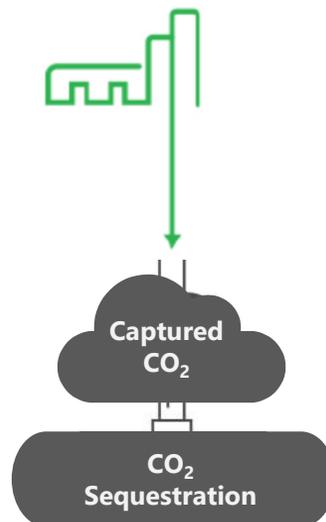
# How NCS Creates Value in Carbon Capture and Storage

## Identify and Partner with CO<sub>2</sub> Source Facilities



- **Typical project:** partner with source facilities to capture 1 – 2 million tonnes of CO<sub>2</sub>/year, which is the equivalent of removing 217,000 - 435,000 cars from the road each year<sup>1</sup>
- **Location:** proximity to geologic storage or existing CO<sub>2</sub> pipeline

## Deploy and Operate Our CCS Processes at CO<sub>2</sub> Source Facilities



- **CCS deployment and operation:**
  - Deploy NEXT Carbon Solutions' proprietary carbon capture processes
  - Capture CO<sub>2</sub> emissions for lowest possible cost
  - Transport to sequestration site
  - Permanently store CO<sub>2</sub> in geologic formations

## Share in Enhanced CO<sub>2</sub> Source Facilities' Value



**Improved market competitiveness**



**Government incentives**  
(e.g., 45Q in U.S.)



**Quality, low-cost carbon credits**

- **Government incentive payments**
- **Buildout and marketing of a portfolio of low-cost, independently verified carbon credits**
- **Additional sources of revenue:**
  - Blue product marketing
  - Lower dispatch costs
  - ESG premiums

## Full End-to-End CCS Solutions

<sup>1</sup> Source: NextDecade calculations using Environmental Protection Agency estimates of average annual carbon dioxide (CO<sub>2</sub>) emissions of a typical passenger vehicle

# Portfolio Approach Expected to Generate Superior Returns

## Commercial Structures




**PARTNERSHIP**

- NCS and source facility partner in CCS investment
- NCS builds and operates CCS assets for agreed term
- Partners share risks and rewards derived from CCS assets
- 45Qs and Carbon Credits controlled by NCS for term




**OWNED**

- NCS builds and operates CCS assets
- NCS owns CCS assets and associated risks and rewards
- 45Qs and Carbon Credits accrue to NCS for term




**FEE FOR SERVICE**

- NCS builds and operates CCS assets for agreed term
- Fixed fee over agreed term provides total return to NCS
- Source facility owns CCS assets and associated risks and rewards
- 45Qs and Carbon Credits accrue to source facility

## Portfolio of Projects

Blend of cash flow streams, risk and reward profiles, and contract terms expected to generate superior returns



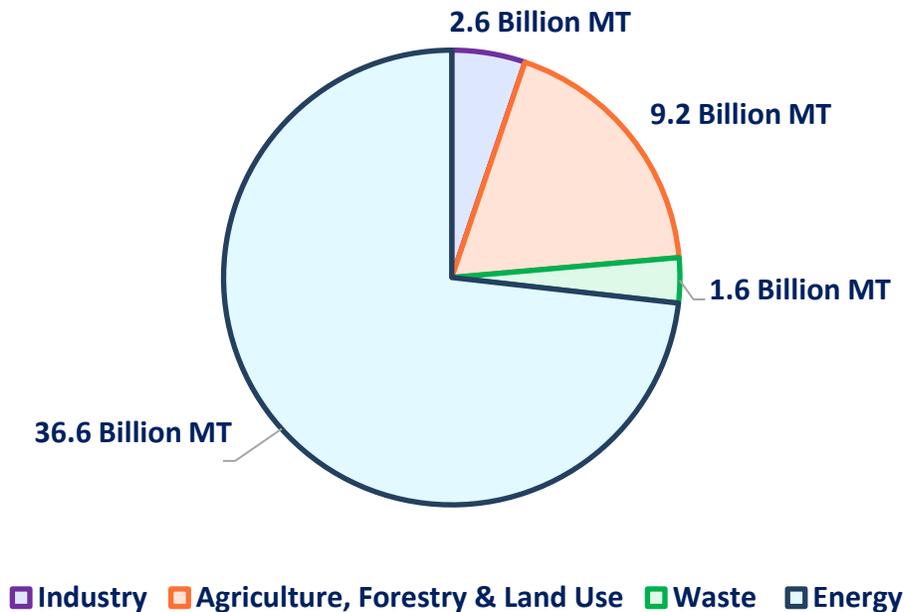
### Revenue Sources



# Large Addressable Global Carbon Capture Market Opportunity

## Third-parties agree deploying CCS is key to achieving global de-carbonization

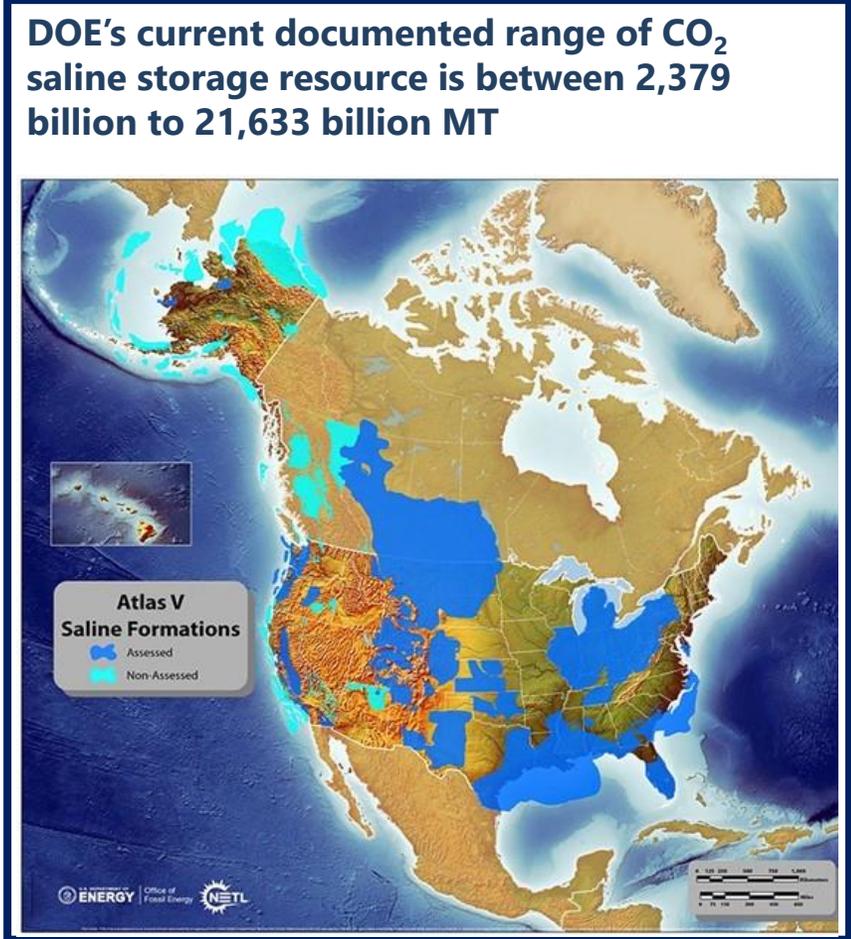
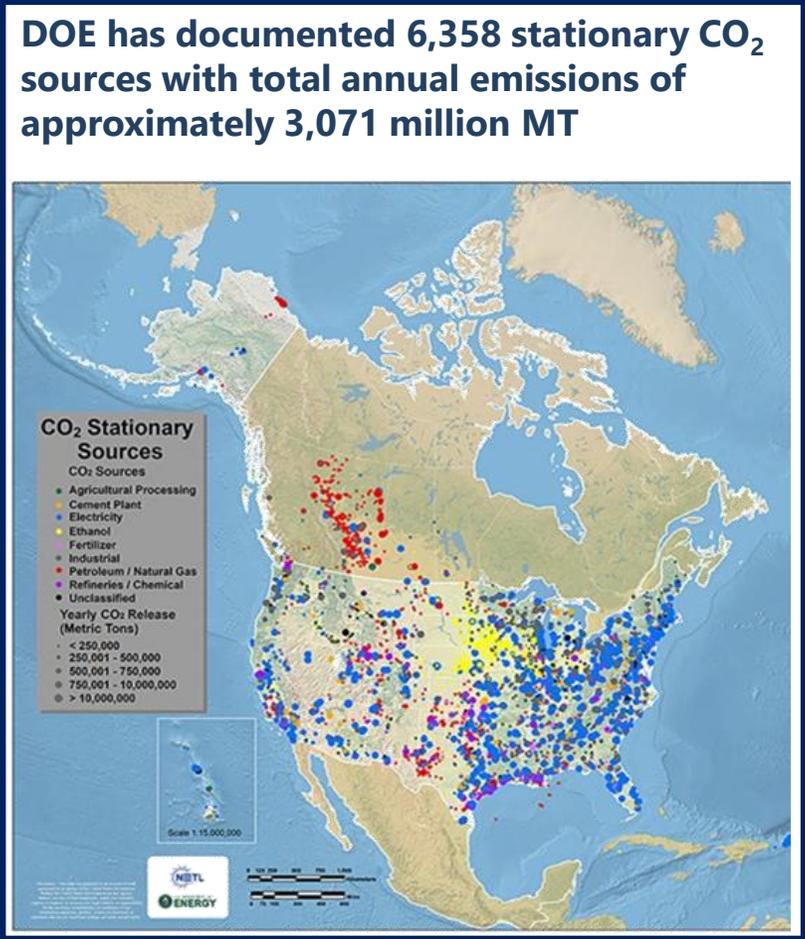
50 Billion MT/Annum of Global GHG Emissions<sup>1</sup>



- **Global Carbon Capture and Storage (CCS) Institute**
  - "... estimate that over 2,000 CCS facilities will be needed by 2040 to achieve capture levels required... capturing and permanently storing a total of 5.6 gigatons of CO<sub>2</sub> per annum in 2050."
- **The Intergovernmental Panel on Climate Change**
  - "Limiting temperature rise... may require geologic sequestration at a scale of 350 billion metric tons to one trillion metric tons of CO<sub>2</sub> cumulatively by 2050."
- **Net Zero America Project**
  - "The scale of geologic sequestration (in the U.S.) is 1,000 facilities capturing and sequestering 1 to 1.7 billion tons of CO<sub>2</sub> per year..."
- **IChemE (The Institution of Chemical Engineers)**
  - "Carbon capture and storage is... an essential technology for achieving the Paris Agreement global warming target of less than 1.5 - 2 degrees in the most cost-effective ways and will bring value to decarbonising not only the power sector but also industrial processes and the heating sector, where there are few other feasible options."
- **Wood Mackenzie**
  - "Carbon trading allows those who can reduce emissions faster or more cheaply to sell excess reductions to those who need them, at a price decided by the law of supply and demand... We estimate a globalised emissions trading market could be worth as much as \$22 trillion by 2050."

<sup>1</sup> International Energy Agency – amounts in metric tonnes (MT)

# Enormous Potential for U.S. CO<sub>2</sub> Sources and Permanent Storage

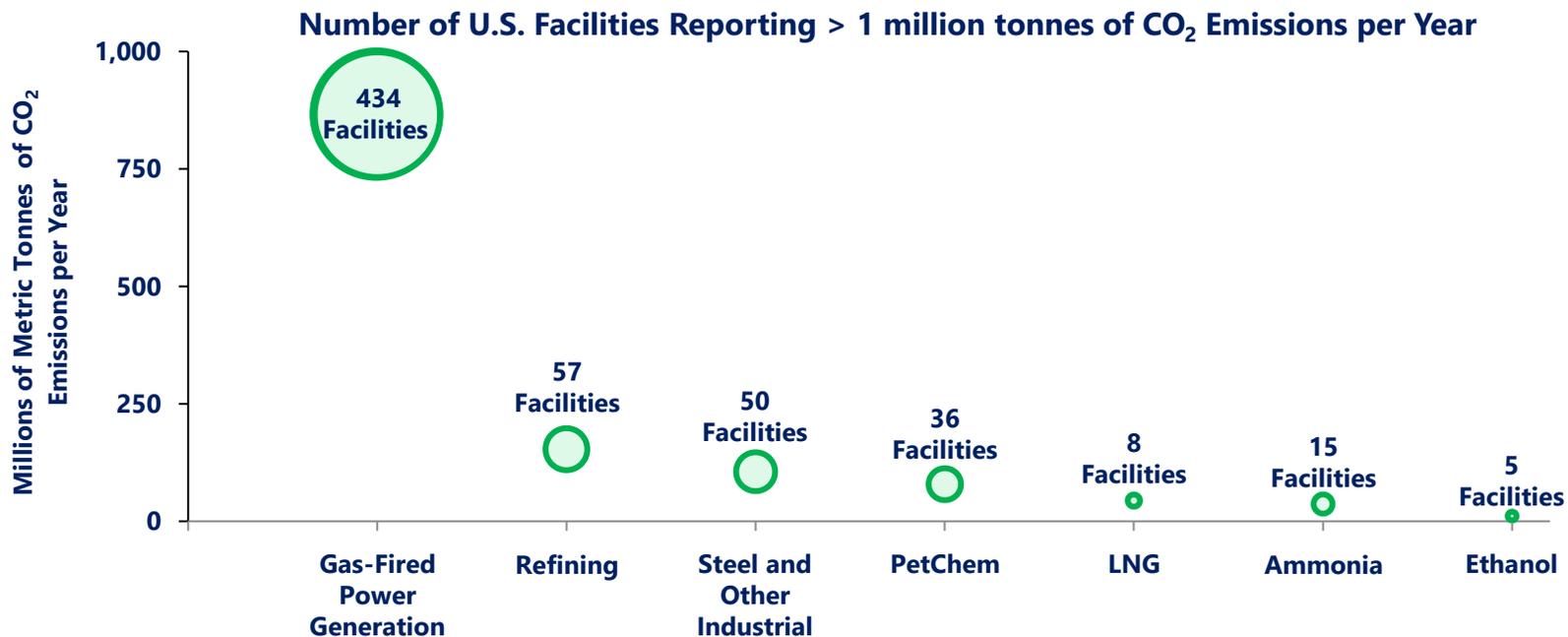


**DOE estimates that U.S. saline storage resources, alone, could accommodate a minimum of 800 years of U.S. CO<sub>2</sub> emissions**

Source: National Energy Technology Laboratory – U.S. Department of Energy (DOE)

# Potential U.S. Carbon Capture and Storage Partners

Carbon capture provides significant opportunity for low-cost service provider with commercial acumen



- **The following statistics relate to the population of U.S facilities emitting over 1 million tonnes of CO<sub>2</sub> emissions per year. These emitters represent NCS' primary target partners for reducing CO<sub>2</sub> emissions.**
  - A total of approximately 1.3 billion metric tonnes of CO<sub>2</sub> emissions per year
  - Over 600 individual facilities emit more than 1 million tonnes of CO<sub>2</sub> per year

○ Circle size denotes number of U.S. Facilities with > than 1 million tonnes of CO<sub>2</sub> emissions per year

# The Emerging Global Market for Carbon Credits



## Paris Agreement

Article 6.2: Provides for bilateral or multilateral 'cooperative approaches'... for the purpose of trading **Internationally Transferred Mitigation Outcomes (ITMOs)** between jurisdictions.

Article 6.4: Creates a new **international mitigation mechanism** ... allows for offsetting through the trading of emission reduction credits.

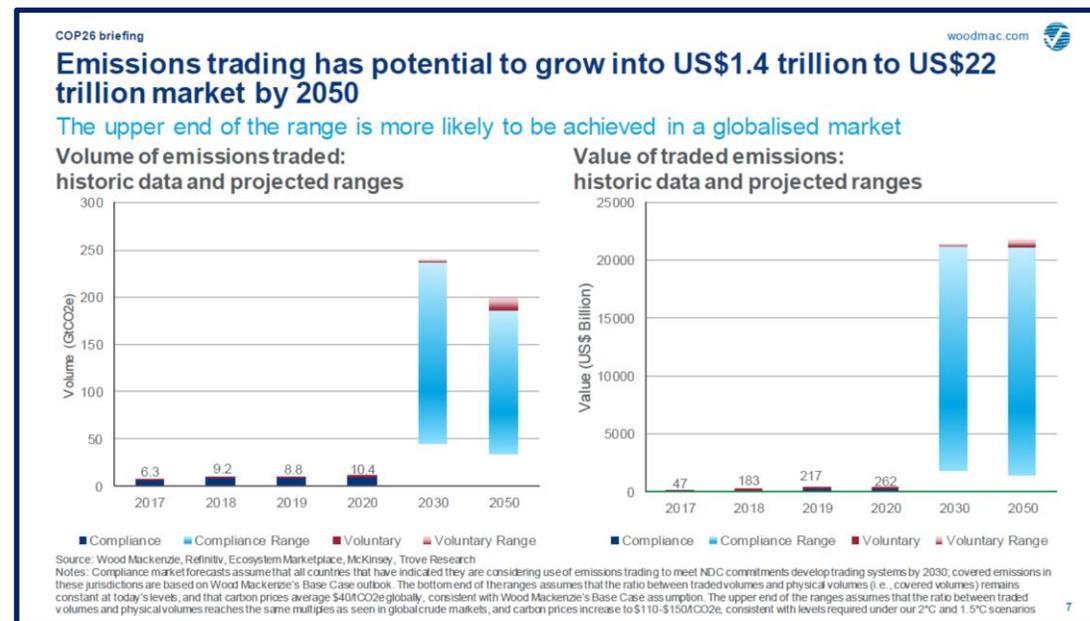
Article 6.5: Puts in place **robust accounting measures** ... ensuring the integrity of the... market-based approaches.



## COP26

### **ITMO Guidance Advanced**

- Clear **accounting guidance** for emissions trades between countries
- Launch a new **crediting mechanism** that will give market access to all countries...
- Establish an **integrity framework** to support the expansion of carbon markets...



## COP26 advancements increase likelihood of a growing global carbon credit marketplace

# Standardization of Carbon Capture and Storage Methodologies

NCS anticipates a standardization of CCS methodologies in the coming months

## Carbon Registries

- Registries ensure the environmental integrity of emission reduction projects and carbon credits
- Registries work with independent third-parties to:
  - Validate actions,
  - Affirm compliance, and
  - Provide chain-of-custody oversight of carbon credits

**NCS anticipates that certain registries, including Verra<sup>1</sup> - working with CCS+ Initiative<sup>2</sup> - will soon implement methodologies for mechanically-derived carbon credits ... facilitating significant volumes of high-quality carbon credits to the global marketplace**



**United Nations**  
Climate Change

- NCS expects fungibility of high-quality Carbon Credits, tradeable across multiple markets and geographies
- Article 6 establishes a robust framework for the international trading and exchange of Carbon Credits
- At COP26, guidance for internationally transferred mitigation outcomes (ITMOs), ensuring the integrity of carbon markets and market-based approaches, was agreed

**Standardized assessment methods are a key step to a global carbon credit marketplace**

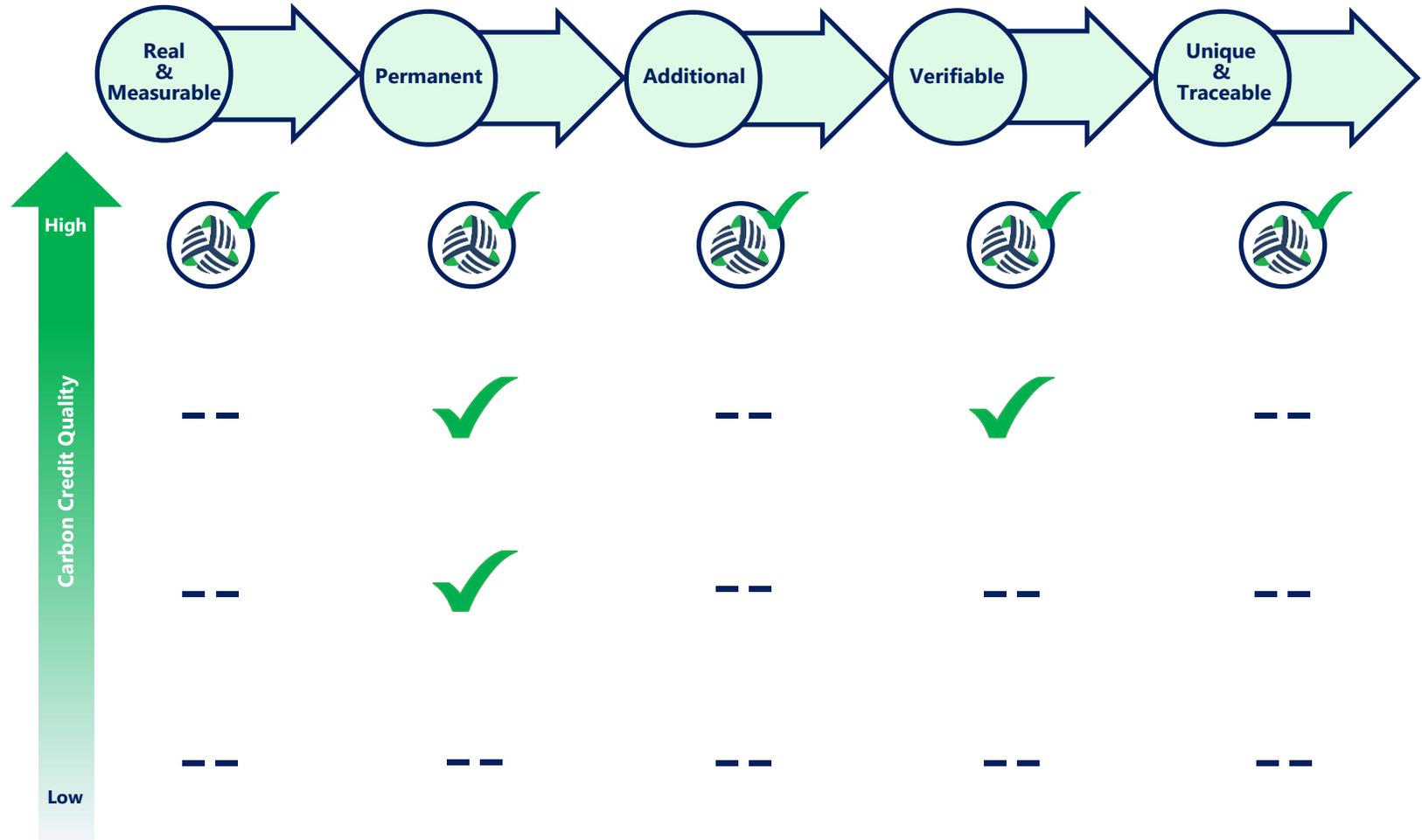
<sup>1</sup>Verra is one of the largest carbon registries in the world and is a global leader in developing standards and frameworks for environmental and social challenges. | <sup>2</sup> CCS+ Initiative is an alliance of organizations aiming to leverage carbon markets and scale up global decarbonization and carbon removal efforts focused on advancing carbon accounting for a range of carbon capture, utilization, storage, and removal technologies that are underpinned by robust 'cradle-to-grave' life cycle assessments (LCA) and rigorous verification standards to ensure environmental integrity.

# Carbon Capture and Storage Creates High-Quality Carbon Credits

The Quality of Carbon Credits in an Emissions Reduction Plan is Indicative of Overall Plan Quality

Carbon Credit Attributes Assessed by Registries in Verification Process

Type	Example	Quality
Mechanical	Carbon Capture and Storage	Meets all Five Criteria
Renewable Energy Project <sup>1</sup>	Wind Solar Hydro	Difficult to measure and to determine additionality
Energy Efficiency	Increase Efficiency of Buildings, Machines, Appliances, etc.	Difficult to assess and verify most factors
Nature Based Solution	Tree Planting Deforestation Prevention Land Use Changes	Challenged across all five attribute criteria



<sup>1</sup> Renewable energy certificates (RECs) differ from Carbon Credits. Carbon Credits represent the act of reducing, avoiding, destroying or sequestering the equivalent of one metric tonne of greenhouse gas (GHG) in one place to “offset” an emission taking place somewhere else. Trading Carbon Credits is contemplated by Article 6 of the Paris Agreement and Carbon Credits are independently assessed against the five standards used by the Registries. RECs represent one megawatt hour (MWh) of energy generated from a renewable energy source and are typically not held to the additionality standard.

# Current Carbon Market

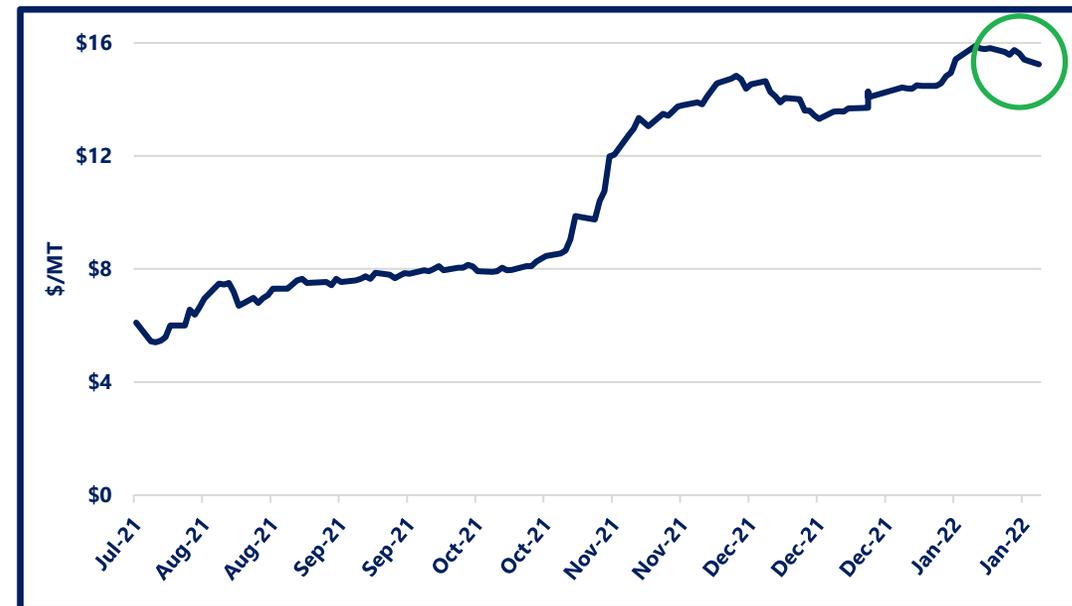
International trading and exchange of carbon credits is a key attribute of the Paris Agreement

## Compliance Market – EU ETS



**Carbon is already trading near US\$100/MT in Europe**

## Voluntary Market – CBL GEO Futures



**Nature-based solutions (NBS) currently dominate the voluntary market**

**Marketing low-cost, high-quality carbon credits is a core NCS revenue source**

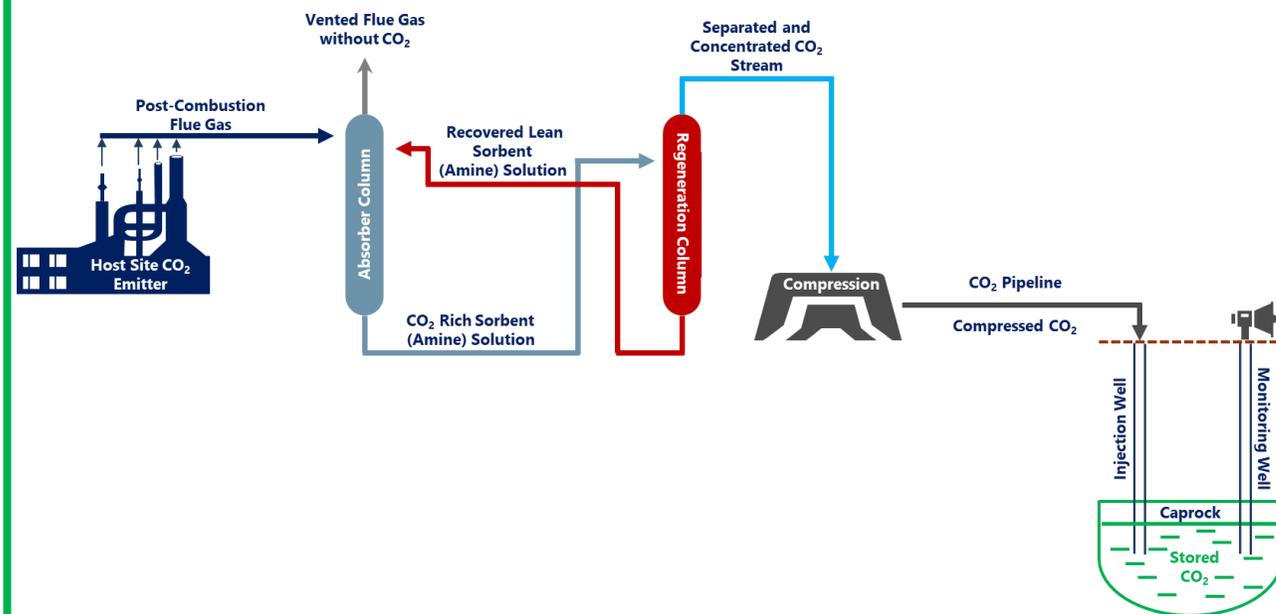
# NCS Differentiated by Proprietary Designs

## NCS' Proprietary Processes

- Increase efficiency and lower cost of PCC and storage
- Use proven technology and equipment to capture CO<sub>2</sub> emissions at scale
- Reduce energy requirements
- Limit need for externally sourced water
- Have a reduced land footprint

*Multiple U.S. Patents Issued and Pending*

## Simple Post-Combustion Capture (PCC) and Storage Process



**Expect to capture 95% of CO<sub>2</sub> emissions generated from an industrial facility's processes**

# Estimated Water and Land Use by CO<sub>2</sub> Capture Solutions

2 million tonnes of CO <sub>2</sub> /annum	Annual Water	Land
 <b>Proprietary CCS Processes</b>	<b>Near Zero</b>	<b>10 Acres or Less</b>
<b>Traditional CCS</b>	<b>200°F - 600°F flue gas: ~ 0.6 - 1.8 billion gallons/yr<sup>1</sup></b>	<b>20 - 50 acres<sup>1</sup></b>
<b>Direct Air Capture and Storage</b>	<b>~ 2.1 billion gallons/yr<sup>2</sup></b>	<b>200 - 800 acres<sup>3</sup></b>
<b>Reforestation</b>	<b>~ 1.7 trillion gallons/yr<sup>4</sup></b>	<b>~ 230,000 acres<sup>4</sup></b>

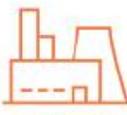
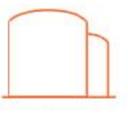
**NCS can reduce CO<sub>2</sub> emissions without jeopardizing scarce water and land resources**

<sup>1</sup> Based on internal computations by NextDecade – exact amounts depend on the facility type and flue gas temperature | <sup>2</sup> Science Direct - “The Water Footprint of Carbon Capture and Storage Technologies” | <sup>3</sup> World Resource Institute | <sup>4</sup> Water consumption computed based on 10 gallons of water per week for every 1 inch of tree caliper (trunk diameter), mature trees having trunk diameters of 35 inches each, 48 pounds of CO<sub>2</sub> absorbed annually by each tree, and 400 mature trees per acre



# NCS has Already Advanced Carbon Capture Designs Across Many Industries

During 2021, NCS worked with owners of multiple source facilities to develop extensive CCS application knowledge across multiple industries through pre-FEED<sup>1</sup> analyses

	 Power Generation	 Petrochemical	 Steel	 Refining	 Ammonia	 LNG	 Ethanol / Agriculture
<b># Pre-FEED</b>							
<b># Pre-FEED+</b>							
<b>Complete<sup>2</sup></b>	4	1	1	1	1	1	
<b>In Progress<sup>3</sup></b>	3			1			
<b>Backlog<sup>4</sup></b>	5			1			1

**These source facilities comprise high-quality opportunities for NCS FEEDs/FIDs in 2022**

<sup>1</sup> Pre-FEED (preliminary front-end engineering and design) assesses source facility data to determine feasibility of deploying CCS in technical and economic terms. Pre-FEED (equivalent to FEL-2 (Front End Loading Stage 2)) work product is a detailed report specific to CCS deployment at a source facility. | <sup>2</sup> Complete means the Pre-FEED work is finished and a report has been published | <sup>3</sup> In Progress means the Pre-FEED work has commenced | <sup>4</sup> Backlog refers to projects where NCS continues to assess the scope with source facilities.

# Industry Leading Executives and an Experienced Multi-Disciplinary Team



**Mr. Matt Schatzman**  
Chairman and Chief Executive Officer



**Mr. Ivan Van Der Walt**  
Chief Operating Officer



**Mr. Brent Wahl**  
Chief Financial Officer



**Ms. Vera De Brito de Gyrfas**  
General Counsel and Corporate Secretary



**Mr. Mike Mott**  
Senior Vice President, Carbon Solutions



**Mr. Ariel Handler**  
Senior Vice President, Structured Transactions

Please refer to [www.next-decade.com/about-us/senior-leadership/](http://www.next-decade.com/about-us/senior-leadership/) for full biographies of these Executives

# NEXT Carbon Solutions is a Differentiated Partner for CO<sub>2</sub> Source Facilities



- Full end-to-end CCS solution
- Flexible commercial structures
  - Ability to provide full financing origination with flexible terms to accommodate partners
- Focused on partnering with the largest CO<sub>2</sub> emitters (greater than 1 million tonnes per year)
- CCS will generate the highest-quality carbon credits
- Proprietary processes that increase efficiency and lower the cost of post-combustion carbon capture and storage
  - Multiple U.S. patents issued and pending
  - Using proven technology and equipment to capture CO<sub>2</sub> emissions at scale (Technology Readiness Level (TRL) of 6 to 8)
  - Reduced energy requirements
  - Limited need for externally sourced water
  - Reduced land footprint
- Expected capture rates of up to 95% of CO<sub>2</sub> emissions
- NCS is currently working with multiple facility owners to advance carbon capture designs across many industries
- Identified source facilities comprise high-quality opportunities for FEEDs/FIDs in 2022
- Industry leading executives supported by an experienced multi-disciplinary team

**Moving from design concept to operations faster and more cost effectively than others**

# Estimated NCS Distributions to NEXT

## Next Carbon Solutions

## Estimated Annual Distributions to NEXT<sup>1</sup>

**First 10 Projects: Estimated Distributions to NEXT (\$ billions)**

**\$ 0.40**

**Single Project: Estimated Distribution to NEXT (\$ billions)**

**\$ 0.04**

Estimated CO<sub>2</sub> captured per year per project (million metric tonnes)

1.5

Estimated CO<sub>2</sub> captured per year from first 10 projects (million metric tonnes)

15

Estimated revenue from deploying CCS per project (\$/MT)<sup>2</sup>

\$ 100

<sup>1</sup> Expected distributions to NEXT from NEXT Carbon Solutions at full commercial operations. Calculated as cash flow from operations minus financing costs. Figures do not include any contribution from the RGLNG CCS project as this contribution is included in the RGLNG estimated distributions amount. Assumes revenue derived from the sum of 45Q tax incentives and Carbon Credits sales from deploying CCS at the first 10 projects which are expected to capture a total of approximately 15 million metric tonnes of CO<sub>2</sub> per year. Assumes all project capital from third parties. The calculation assumes estimated EPC costs for CCS as of January 1, 2022. The first 10 projects are expected to reach FID over the next 24 – 36 months. The timeline from FEED to FID to permitting, construction, and commissioning, and to first CO<sub>2</sub> capture approximates 40 months. First 10 projects represent less than 2% of the potential U.S. projects emitting >1 million metric tonnes of CO<sub>2</sub> per year. | <sup>2</sup> Assumes the sum of revenue realized from monetization of 45Q tax incentives plus Carbon Credit sales.

The estimated values set forth herein assume that the Company will achieve its financial projections in all material respects. Such financial projections reflect the Company's best currently available estimates and reflect its good faith judgments. Events and conditions subsequent to this date as well as other factors could have a substantial effect upon the estimated values. The Company gives no assurance that the estimated values will prove to be correct and does not undertake any duty to update them. Please refer to the slide titled "Disclaimer and Forward-Looking Statements."

A wide-angle photograph of a vast field of bluebonnets in full bloom. The flowers are a vibrant blue with yellow centers, stretching towards a horizon line. In the background, there are rolling hills and a dense line of trees. The sky is filled with dramatic, dark clouds, and a bright sun is setting on the right side, creating a strong lens flare and casting a warm, golden glow over the scene.

**NextDecade is a clean energy company  
accelerating the path to a net-zero future**

**[www.next-decade.com](http://www.next-decade.com)**

**For Further Information Regarding Our Business, Please Refer to:  
NextDecade Corporate Presentation  
Rio Grande LNG Presentation**