



## NextDecade Provides Third Quarter 2023 Business Update

November 13, 2023

HOUSTON--(BUSINESS WIRE)--Nov. 13, 2023-- NextDecade Corporation (NextDecade or the Company) (NASDAQ: NEXT) today provided an update on developmental and strategic activities for the third quarter 2023.

### CEO Commentary

"The third quarter was transformational for NextDecade, as we achieved a positive final investment decision and issued notice to proceed to Bechtel for Phase 1 at the Rio Grande LNG Facility, marking a new era in the Company's history, the transition from development to construction and ultimately production of LNG that will enable us to provide a cleaner source of energy to customers around the world," said Matt Schatzman, NextDecade's Chairman and Chief Executive Officer. "Making a positive FID and issuing the notice to proceed on Phase 1 was a landmark achievement for us, and I'd like to thank everyone who helped make this a reality. I especially want to thank the incredible employees at NextDecade, our shareholders, equity partners, customers, construction partners, equipment suppliers, the Rio Grande Valley community, the Port of Brownsville and the countless leaders and officials at the local, state, and federal levels. We are now focused on working with our EPC partner, Bechtel, to complete Trains 1, 2, and 3 safely, on time, and on budget."

"We are also focused on commercializing and achieving a positive FID for Train 4 in the second half of 2024, and subsequently progressing Train 5. We expect these FERC approved expansions to benefit from our Phase 1 equity partners' options to participate in Train 4 and Train 5, and TotalEnergies' LNG offtake options for 1.5 MTPA per train. Construction of Train 4 and Train 5 should be advantaged due to the common facilities and full site preparation included in the Phase 1 EPC contracts, as well as potential labor optimization with a timely Train 4 FID. We continue to experience a strong LNG market and contracting dynamics, and we are confident in our ability to progress toward FID of our expansion capacity."

"NextDecade is committed to providing economically competitive LNG to customers around the world and promoting emissions reduction, energy security, and energy affordability. We have taken significant steps toward our goals this quarter and look forward to continuing our momentum in the coming quarters."

### Significant Recent Developments

#### *Development and Construction*

- On July 12, 2023, NextDecade announced a positive final investment decision (FID) to construct the first three liquefaction trains and related infrastructure (Phase 1) of the Rio Grande LNG Facility, and its subsidiary Rio Grande LNG, LLC (Rio Grande) issued full notice to proceed (NTP) to Bechtel Energy Inc. (Bechtel) under the Phase 1 engineering, procurement, and construction (EPC) contracts.
  - At FID, the final EPC cost of Phase 1 was approximately \$12.0 billion.
  - Other costs included in Phase 1, as estimated at the time of FID, totaled approximately \$6.0 billion, including owner's costs and contingencies of approximately \$2.3 billion, dredging for the Brazos Island Harbor Channel Improvement Project, conservation of more than 4,000 acres of wetland, and installation of utilities of approximately \$600 million, and interest during construction and other financing costs of approximately \$3.1 billion.
- As of September 2023, the project completion percentage for Trains 1 and 2 of the Rio Grande LNG Facility was approximately 8.1%, which is in line with the schedule under the EPC contract. Within this project completion percentage, engineering was 35.7% complete, procurement was 14.1% complete, and construction was 0.2% complete.
- As of September 2023, Bechtel has made meaningful progress on purchase orders for Train 3 and is focused on mobilizing labor and equipment and preparing temporary facilities at the site.

#### *Strategic and Commercial*

- NextDecade has started the front-end engineering and design (FEED) and EPC contract processes with Bechtel for Train 4 and expects to finalize the EPC contract in the first half of 2024. The Company is progressing numerous discussions with potential buyers of LNG to provide commercial support for Train 4 and is targeting a positive FID of Train 4 in the second half of 2024.

#### *Financial*

- In July and September 2023, NextDecade closed the second and third tranches of common stock sales pursuant to its three-tranche common stock purchase agreement with Global LNG North America Corp., an affiliate of TotalEnergies SE (TotalEnergies). In aggregate for all three tranches, the Company sold 44.9 million shares of its common stock for a total purchase price of \$219.4 million.
- On July 12, 2023, in conjunction with the positive FID of Phase 1 of the Rio Grande LNG Facility, NextDecade and certain of its subsidiaries closed an approximately \$18.4 billion project financing for Phase 1, the largest greenfield energy project financing in U.S. history. This financing underscores the critical role that LNG and natural gas are expected to play in the global energy transition, and included the closing of:

- A joint venture agreement which included approximately \$5.9 billion of financial commitments from Global Infrastructure Partners (GIP), GIC, Mubadala Investment Company, and TotalEnergies;
- A commitment by NextDecade to invest approximately \$283 million in Phase 1, which was completed in September 2023 and included \$125 million of pre-FID capital investments and additional funds contributed from the proceeds of sales of the Company's common stock to an affiliate of TotalEnergies;
- Senior secured non-recourse bank credit facilities of \$11.6 billion with a 7-year maturity, consisting of \$11.1 billion in construction term loans and a \$500 million working capital facility; and
- An offering of \$700 million senior secured non-recourse private placement notes, which will mature in July 2033 and will accrue interest at a fixed rate of 6.67%.
- NextDecade holds equity interests in the Phase 1 joint venture that entitle NextDecade to receive up to 20.8% of the distributions of available cash during operations.
- In September 2023, Rio Grande entered into a credit agreement with a group of lenders for \$356 million of senior secured loans. The senior secured loans were disbursed in one advance of \$356 million on September 15, 2023, which resulted in a reduction in commitments outstanding under Rio Grande's existing bank credit facilities for Phase 1.
  - These senior secured loans will mature in July 2033, will accrue interest at a fixed rate of 6.72%, and rank pari passu to Rio Grande's existing senior secured financings; and
  - This financing illustrates NextDecade's commitment to extending and spreading out debt maturities, diversifying sources of capital, reducing bank commitments to provide potential capacity for financing future LNG expansions, and mitigating interest rate exposure.
- As of September 30, 2023, Rio Grande's outstanding fixed-rate debt and executed interest rate swaps have reduced its exposure to movements in interest rates for over 80% of the debt currently projected to be incurred in support of Phase 1 construction.
- Rio Grande has completed a syndication of a portion of its bank credit facility commitments, resulting in a supporting lender group of over 30 international banks.

#### **Rio Grande LNG Facility**

NextDecade is constructing and developing the Rio Grande LNG Facility on the north shore of the Brownsville Ship Channel in south Texas through its partially owned subsidiary Rio Grande. The site is located on 984 acres of land which has been leased long-term and includes 15,000 feet of frontage on the Brownsville Ship Channel. The Rio Grande LNG Facility has received necessary approvals and authorizations required for construction, including those from the Federal Energy Regulatory Commission (FERC), which allow for development, construction, and operation of up to five trains and 27 MTPA of LNG exports.

##### *Phase 1 (Trains 1-3)*

Phase 1 at the Rio Grande LNG Facility is under construction. Phase 1 includes three liquefaction trains with a total nameplate capacity of 17.61 mtpa, two 180,000 cubic meter full containment LNG storage tanks, two jetty berthing structures designed to load LNG carriers up to 216,000 cubic meters in capacity, and associated site infrastructure and common facilities including feed gas pretreatment facilities, electric and water utilities, two totally enclosed ground flares for the LNG tanks and marine facilities, two ground flares for the liquefaction trains, roads, levees surrounding the entire site, and warehouses, administrative, operations control room, and maintenance buildings.

As of September 2023, progress on Trains 1 through 3 is in line with the schedule under the EPC contracts.

##### *Final Investment Decision on Train 4 and Train 5*

NextDecade is targeting a positive FID and commencement of construction of Train 4 and related infrastructure at the Rio Grande LNG Facility in the second half of 2024, and subsequently Train 5 and related infrastructure. Achieving a positive FID of this FERC approved expansion capacity at the Rio Grande LNG Facility will be subject to, among other things, finalizing and entering into EPC contracts, entering into appropriate commercial arrangements, and obtaining adequate financing to construct each train and related infrastructure.

In connection with consummating the Phase 1 equity joint venture, the Company's equity partners each have options to invest in Train 4 and Train 5 equity, which would provide approximately 60% of the estimated equity funding required for each of Train 4 and Train 5. Inclusive of these options, NextDecade currently expects to fund 40% of the equity commitments for each of Train 4 and Train 5, and to have an initial economic interest of 40% in each of Train 4 and Train 5, increasing to 60% after its equity partners achieve certain returns on their investments in each of the respective trains.

TotalEnergies has LNG purchase options of 1.5 MTPA for each of Train 4 and Train 5. If TotalEnergies exercises its LNG purchase options, the Company currently estimates that an additional approximately 3 MTPA must be contracted on a long-term basis for each of Train 4 and Train 5 prior to making a positive FID for the respective train.

The Company has commenced certain pre-FID activities for Train 4, including the FEED and EPC contract processes with Bechtel.

#### **Investor Presentation**

NextDecade has posted an updated investor presentation to its website concurrently with this release. A copy of this release and the investor presentation can be found on its website at [www.next-decade.com](http://www.next-decade.com).

#### **About NextDecade Corporation**

NextDecade Corporation is an energy company accelerating the path to a net-zero future. Leading innovation in more sustainable LNG and carbon capture solutions, NextDecade is committed to providing the world access to cleaner energy. Through our wholly owned subsidiaries Rio Grande LNG

and NEXT Carbon Solutions, we are developing a 27 MTPA LNG export facility in South Texas along with one of the largest carbon capture and storage projects in North America. We are also working with third-party customers around the world to deploy our proprietary processes to lower the cost of carbon capture and storage and reduce CO<sub>2</sub> emissions at their industrial-scale facilities. NextDecade's common stock is listed on the Nasdaq Stock Market under the symbol "NEXT." NextDecade is headquartered in Houston, Texas. For more information, please visit [www.next-decade.com](http://www.next-decade.com).

### Forward-Looking Statements

This press release contains forward-looking statements within the meaning of U.S. federal securities laws. The words "anticipate," "contemplate," "estimate," "expect," "project," "plan," "intend," "believe," "may," "might," "will," "would," "could," "should," "can have," "likely," "continue," "design," "assume," "budget," "guidance," and "forecast" and other words and terms of similar expressions are intended to identify forward-looking statements, and these statements may relate to the business of NextDecade and its subsidiaries. These statements have been based on assumptions and analysis made by NextDecade in light of current expectations, perceptions of historical trends, current conditions and projections about future events and trends and involve a number of known and unknown risks, which may cause actual results to differ materially from expectations expressed or implied in the forward-looking statements. These risks include NextDecade's progress in the development of its LNG liquefaction and export projects and CCS projects and the timing of that progress; the timing of achieving a final investment decision on future trains at the Rio Grande LNG Facility and the project costs thereof; the availability and frequency of cash distributions available to NextDecade from its joint venture which owns Phase 1 of the Rio Grande LNG Facility; the ability to generate sufficient cash flow to satisfy Rio Grande's significant debt service obligations or to refinance such obligations ahead of their maturity; restrictions imposed by Rio Grande's debt agreements that limit flexibility in operating its business; increases in interest rates increasing the cost of servicing Rio Grande's indebtedness; reliance on third-party contractors to successfully complete the Rio Grande LNG Facility, the pipeline to supply gas to the Rio Grande LNG Facility and any CCS projects; ability to develop NEXT Carbon Solutions' business through implementation of CCS projects; ability to secure additional debt and equity financing in the future to complete the Rio Grande LNG Facility and CCS projects on commercially acceptable terms; accuracy of estimated costs for the Rio Grande LNG Facility and CCS projects; ability to achieve operational characteristics of the Rio Grande LNG Facility and CCS projects, when completed, including liquefaction capacities and amount of CO<sub>2</sub> captured and stored, and any differences in such operational characteristics from expectations; development risks, operational hazards and regulatory approvals applicable to NextDecade's development, construction and operation activities and those of its third-party contractors and counterparties; technological innovation which may lessen NextDecade's anticipated competitive advantage or demand for its offerings; global demand for and price of LNG; availability of LNG vessels worldwide; changes in legislation and regulations relating to the LNG and CCS industries, including environmental laws and regulations that impose significant compliance costs and liabilities; scope of implementation of carbon pricing regimes aimed at reducing greenhouse gas emissions; global development and maturation of emissions reduction credit markets; adverse changes to existing or proposed carbon tax incentive regimes; global pandemics, including the 2019 novel coronavirus pandemic, the Russia-Ukraine conflict, other sources of volatility in the energy markets and their impact on NextDecade's business and operating results, including any disruptions in its operations or development of the Rio Grande LNG Facility and the health and safety of its employees, and on its customers, the global economy and the demand for LNG; risks related to doing business in and having counterparties in foreign countries; NextDecade's ability to maintain the listing of our securities on the Nasdaq Capital Market or another securities exchange or quotation medium; changes adversely affecting the businesses in which NextDecade is engaged; management of growth; general economic conditions; ability to generate cash; the result of future financing efforts and applications for customary tax incentives; and other matters discussed in the "Risk Factors" section of NextDecade's most recent Annual Report on Form 10-K and subsequent reports filed with the Securities and Exchange Commission. Additionally, any development of subsequent trains at the Rio Grande LNG Facility or CCS projects remains contingent upon execution of definitive commercial and financing agreements, securing all financing commitments and potential tax incentives, achieving other customary conditions and making a final investment decision to proceed. The forward-looking statements in this press release speak as of the date of this release. Although NextDecade believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurance that the expectations will prove to be correct. NextDecade may from time to time voluntarily update its prior forward-looking statements, however, it disclaims any commitment to do so except as required by securities laws.

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