



## NextDecade Provides First Quarter 2024 Business Update

May 9, 2024

HOUSTON--(BUSINESS WIRE)--May 9, 2024-- NextDecade Corporation (NextDecade or the Company) (NASDAQ: NEXT) today provided an update on developmental and strategic activities for the first quarter 2024 and early second quarter 2024.

### CEO Commentary

"Construction of Phase 1 at the Rio Grande LNG Facility continues to progress according to plan, as we work alongside Bechtel to construct Trains 1 through 3 and their supporting infrastructure safely, efficiently, on schedule, and within budget," said Matt Schatzman, NextDecade's Chairman and Chief Executive Officer. "The Rio Grande LNG Facility has truly begun to take shape recently, as concrete foundation pours for Train 1 are ongoing, key materials such as piping and structural steel have been delivered to the site, and shoreline work and levee construction are underway. Proactive project and risk management remain key priorities as construction of Phase 1 continues to progress."

"We are currently at a unique point in the Company's history as we develop and expect to FID highly attractive expansion capacity this year and next year, while safely constructing Phase 1 capacity, and preparing our organization to achieve our long-term objective of becoming a leading LNG owner and operator. We are confident that delivering on our plans will create long-term value for our stakeholders."

"We are focused on achieving a positive FID on Train 4 in the second half of this year. We expect TotalEnergies to exercise its option to purchase 1.5 million tonnes per annum of LNG from Train 4, and commercial discussions are progressing well with numerous additional counterparties for the remainder of the LNG necessary to support a positive FID on Train 4 this year. Additionally, we are continuing to work with Bechtel on the EPC contracting process, which we expect will enable us to finalize the EPC contract for Train 4 by the end of the second quarter of 2024. We are determined to capitalize on the robust market opportunity to unlock the value of our fully permitted, brownfield expansion capacity, and we are strongly committed to do so in a way that maximizes value to our shareholders."

### Significant Recent Developments

#### *Construction*

Under the EPC contracts with Bechtel Energy Inc. (Bechtel), Phase 1 progress is tracked for Train 1, Train 2, and the common facilities on a combined basis and Train 3 on a separate basis. As of March 2024:

- The overall project completion percentage for Trains 1 and 2 and the common facilities of the Rio Grande LNG Facility was 18.2%, which is in line with the schedule under the EPC contract. Within this project completion percentage, engineering was 54.9% complete, procurement was 34.4% complete, and construction was 1.9% complete.
- The overall project completion percentage for Train 3 of the Rio Grande LNG Facility was 6.9%, based on preliminary schedules, which is also in line with the schedule under the EPC contract. Within this project completion percentage, engineering was 5.2% complete, procurement was 16.7% complete, and construction was 0.0% complete.

#### *Financial*

- In January 2024, the Company's wholly-owned subsidiary NextDecade LNG, LLC entered into a credit agreement that provides for a \$50 million senior secured revolving credit facility with additional capacity of \$12.5 million to cover interest. Borrowings under the revolving credit facility may be used for general corporate purposes, including development costs related to Train 4 at the Rio Grande LNG Facility. Borrowings bear interest at SOFR or the base rate plus an applicable margin as defined in the credit agreement. The revolving credit facility and interest term loan mature at the earlier of two years from the closing date or 10 business days after a positive FID of Train 4.
- In February 2024, Rio Grande LNG, LLC (Rio Grande) issued and sold \$190 million of senior secured notes in a private placement transaction to finance a portion of Phase 1. The senior secured notes were issued on February 9, 2024 and resulted in a reduction in the commitments outstanding under Rio Grande's existing bank credit facilities for Phase 1. These senior secured notes will be amortized over a period of approximately 18 years beginning in mid-2029, with a final maturity in June 2047. The senior secured notes bear interest at a fixed rate of 6.85% and rank *pari passu* to Rio Grande's existing senior secured financings.

### 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. 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) and the Department of Energy (DOE), 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 of LNG production, two 180,000 cubic meter full containment LNG storage tanks, and two jetty berthing structures designed to load LNG carriers up to 216,000 cubic meters in capacity. Phase 1 also includes 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 March 2024, progress on Trains 1 through 3 is in line with the schedule under the EPC Contracts. The civil works program has continued to progress via the deep soil mixing program, as Train 1 deep soil mixing is approaching completion and rigs are preparing to move to Train 2 for production and Train 3 for testing. Concrete foundation pours for Train 1 are underway. Delivery of key materials to site has begun, including large bore above-ground pipe and structural steel. Additionally, LNG tank piling has progressed significantly, berth 1 piling work commenced, and levee construction continues.

Bechtel has made meaningful progress on procurement for Phase 1, with a focus on completing purchase orders for critical and high-value items early in the construction process. As of March 2024, Bechtel has issued approximately 90% of the total purchase orders for Trains 1 and 2 based on dollar value and approximately 84% of the total purchase orders for Train 3 based on dollar value.

NextDecade holds equity interests in the Phase 1 joint venture that entitle it to receive up to 20.8% of the distributions of available cash during operations.

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

NextDecade is targeting a positive FID and the issuance of a full notice to proceed (NTP) to Bechtel for Train 4 and its related infrastructure at the Rio Grande LNG Facility in the second half of 2024. Achieving a positive FID on Trains 4 and 5, the fully permitted 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.

The Company has undertaken certain pre-FID activities for Train 4, including the FEED and EPC contract processes with Bechtel, which the Company expects will enable the finalization of the EPC contract for Train 4 by the end of the second quarter of 2024.

The Company continues to advance commercial discussions with multiple potential counterparties and expects to finalize commercial arrangements for Train 4 in the coming months to support an FID on Train 4 in the second half of 2024.

The Company expects to finance construction of Train 4 utilizing a combination of debt and equity funding. The Company expects to enter into bank facilities for the debt portion of the funding. In connection with consummating the Rio Grande Phase 1 equity joint venture, the Company's equity partners each have options to invest in Train 4 equity, which, if exercised, would provide approximately 60% of the equity funding required for Train 4. Inclusive of these options, NextDecade currently expects to fund 40% of the equity commitments for Train 4 and to have an initial economic interest of 40% in Train 4, increasing to 60% after its equity partners achieve certain returns on their investments in Train 4. The Company expects to complete the financing process for Train 4 after the EPC contract and commercial arrangements are finalized.

The Company expects to begin the EPC contracting process for Train 5 after a positive FID on Train 4. TotalEnergies also holds an LNG purchase option for 1.5 MTPA for Train 5, and the Rio Grande Phase 1 equity partners have options to invest in Train 5 equity which are materially equivalent to their options to participate in Train 4 equity.

#### **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 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," "forecast," and "target," 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. 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's actual results could differ materially from those anticipated in these forward-looking statements as a result of a variety of factors, including those discussed in NextDecade's periodic reports that are filed with and available from 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. 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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