UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(MARK ONE)

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2019

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File No. 001-36842

NEXTDECADE CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**46-5723951**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

1000 Louisiana Street, Suite 3900, Houston, Texas 77002
(Address of principal executive offices) (Zip Code)

(713) 574-1880
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class:	**Trading Symbol:**	**Name of each exchange on which registered:**
Common Stock, $0.0001 par value	NEXT	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer	☐	Smaller reporting company	☒
		Emerging growth company	☒

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☒

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

As of November 1, 2019, the issuer had 120,762,858 shares of common stock outstanding.

NEXTDECADE CORPORATION

FORM 10-Q FOR THE QUARTER ENDED SEPTEMBER 30, 2019

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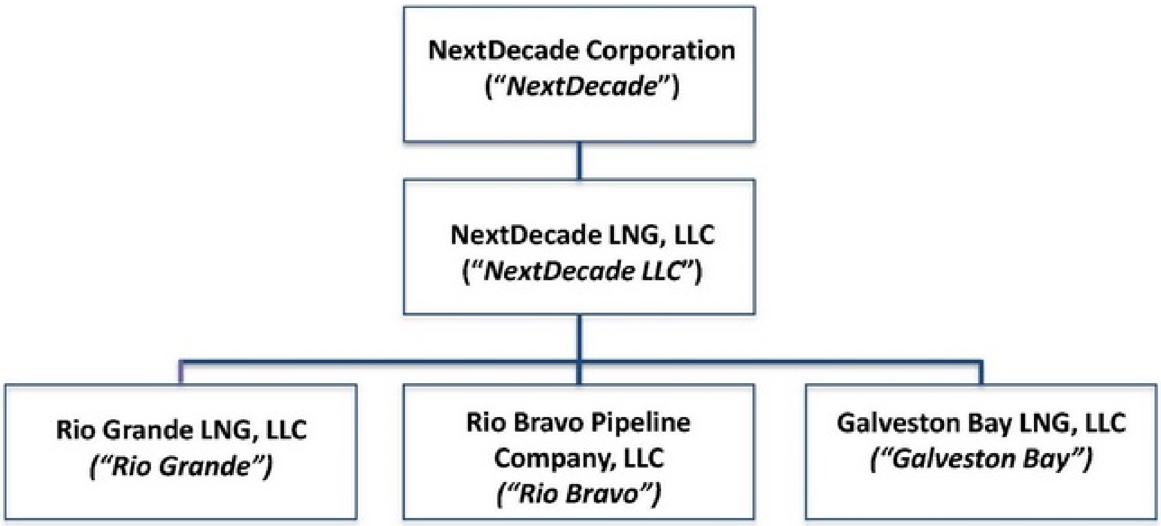
Organizational Structure

The following diagram depicts our abbreviated organizational structure as of September 30, 2019 with references to the names of certain entities discussed in this Quarterly Report on Form 10-Q.



Unless the context requires otherwise, references to “NextDecade,” the “Company,” “we,” “us” and “our” refer to NextDecade Corporation (Nasdaq: NEXT) and its consolidated subsidiaries.

PART I – FINANCIAL INFORMATION

Item 1. Financial Statements.

NextDecade Corporation
Consolidated Balance Sheets
(in thousands, except per share data)
(unaudited)

	September 30, 2019	December 31, 2018
Assets		
Current assets		
Cash and cash equivalents	$ 3,841	$ 3,169
Investment securities	40,374	72,453
Prepaid expenses and other current assets	1,288	1,310
Total current assets	45,503	76,932
Property, plant and equipment, net	119,918	92,070
Operating lease right-of-use assets, net	1,336	—
Other non-current assets	3,071	—
Total assets	$ 169,828	$ 169,002
Liabilities, Series A and Series B Convertible Preferred Stock and Stockholders' Equity		
Current liabilities		
Accounts payable	$ 1,400	$ 719
Share-based compensation liability	182	3,018
Accrued liabilities and other current liabilities	19,911	8,353
Current operating lease liabilities	1,512	—
Total current liabilities	23,005	12,090
Non-current common stock warrant liabilities	10,343	7,441
Non-current operating lease liabilities	10	—
Total liabilities	33,358	19,531
Commitments and contingencies (Note 12)		
Series A Convertible Preferred Stock, $1,000 per share liquidation preference, Issued and outstanding: 56,491 shares and 51,720 shares at September 30, 2019 and December 31, 2018, respectively	46,186	40,091
Series B Convertible Preferred Stock, $1,000 per share liquidation preference, Issued and outstanding: 54,019 shares and 29,636 shares at September 30, 2019 and December 31, 2018, respectively	48,188	26,159
Stockholders' equity		
Common stock, $0.0001 par value Authorized: 480.0 million shares at September 30, 2019 and December 31, 2018, Issued and outstanding: 107.2 million shares and 106.9 million shares at September 30, 2019 and December 31, 2018, respectively	11	11
Treasury stock: 137,860 shares and 6,425 shares at September 30, 2019 and December 31, 2018, respectively, at cost	(685)	(35)
Preferred stock, $0.0001 par value Authorized: 0.9 million, after designation of the Series A and Series B Convertible Preferred Stock, Issued and outstanding: none at September 30, 2019 and December 31, 2018, respectively	—	—
Additional paid-in-capital	162,590	180,862
Accumulated deficit	(119,820)	(97,617)
Total stockholders' equity	42,096	83,221
Total liabilities, Series A and Series B Convertible Preferred Stock and stockholders' equity	$ 169,828	$ 169,002

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NextDecade Corporation
Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2019	**2018**	**2019**	**2018**
Revenues	$ —	$ —	$ —	$ —
Operating expenses				
General and administrative expense	3,579	6,214	10,405	25,533
Invitation to bid contract costs	—	4,418	10,163	4,418
Land option and lease expense	754	297	1,750	797
Depreciation expense	80	50	164	127
Total operating expenses	4,413	10,979	22,482	30,875
Total operating loss	(4,413)	(10,979)	(22,482)	(30,875)
Other income (expense)				
Gain (loss) on common stock warrant liabilities	873	83	(965)	83
Interest income, net	319	222	1,193	475
Other	(7)	(6)	264	(45)
Total other (expense) income	1,185	299	492	513
Net loss attributable to NextDecade Corporation	(3,228)	(10,680)	(21,990)	(30,362)
Preferred stock dividends	(2,849)	—	(7,821)	—
Deemed dividends on Series A Convertible Preferred Stock	(286)	(271)	(1,324)	(271)
Net loss attributable to common stockholders	$ (6,363)	$ (10,951)	$ (31,135)	$ (30,633)
Net loss per common share - basic and diluted	$ (0.06)	$ (0.10)	$ (0.29)	$ (0.29)
Weighted average shares outstanding - basic and diluted	107,181	106,639	107,062	106,476

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NextDecade Corporation
Consolidated Statement of Stockholders’ Equity, Series A and Series B Convertible Preferred Stock
(in thousands)
(unaudited)

	For the Three Months Ended September 30, 2019									
	Common Stock		Treasury Stock							
	Shares	Par Value Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders’ Equity	Series A Convertible Preferred Stock	Series B Convertible Preferred Stock
Balance at June 30, 2019	107,169	$ 11	103	$ (466)	$ 170,374	$ (116,592)	$ —	$ 53,327	$ 44,263	$ 46,987
Share-based compensation	—	—	—	—	(4,648)	—	—	(4,648)	—	—
Restricted stock vesting	88	—	—	—	—	—	—	-	—	—
Shares repurchased related to share-based compensation	(34)	—	34	(219)	—	—	—	(219)	—	—
Preferred stock dividends	—	—	—	—	(2,850)	—	—	(2,850)	1,637	1,201
Deemed dividends - accretion of beneficial conversion feature	—	—	—	—	(286)	—	—	(286)	286	—
Net loss	—	—	—	—	—	(3,228)	—	(3,228)	—	—
Balance at September 30, 2019	107,223	$ 11	137	$ (685)	$ 162,590	$ (119,820)	$ —	$ 42,096	$ 46,186	$ 48,188

	For the Nine Months Ended September 30, 2019									
	Common Stock		Treasury Stock							
	Shares	Par Value Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders’ Equity	Series A Convertible Preferred Stock	Series B Convertible Preferred Stock
Balance at December 31, 2018	106,856	$ 11	6	$ (35)	$ 180,862	$ (97,617)	$ —	$ 83,221	$ 40,091	$ 26,159
Adoption of ASC Topic 842	—	—	—	—	—	(213)	—	(213)	—	—
Adoption of ASU 2018-07	—	—	—	—	2,116	—	—	2,116	—	—
Share-based compensation	—	—	—	—	(11,738)	—	—	(11,738)	—	—
Restricted stock vesting	498	—	—	—	495	—	—	495	—	—
Shares repurchased related to share-based compensation	(131)	—	131	(650)	—	—	—	(650)	—	—
Issuance of Series B Convertible Preferred Stock	—	—	—	—	—	—	—	—	—	19,009
Preferred stock dividends	—	—	—	—	(7,821)	—	—	(7,821)	4,771	3,020
Deemed dividends - accretion of beneficial conversion feature	—	—	—	—	(1,324)	—	—	(1,324)	1,324	—
Net loss	—	—	—	—	—	(21,990)	—	(21,990)	—	—
Balance at September 30, 2019	107,223	$ 11	137	$ (685)	$ 162,590	$ (119,820)	$ -	$ 42,096	$ 46,186	$ 48,188

	For the Three Months Ended September 30, 2018									
	Common Stock		Treasury Stock							
	Shares	Par Value Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders’ Equity	Series A Convertible Preferred Stock	Series B Convertible Preferred Stock
Balance at June 30, 2018	106,398	$ 11	—	$ —	$ 169,454	$ (75,339)	$ —	$ 94,126	$ —	$ —
Share-based compensation	—	—	—	—	2,453	—	—	2,453	—	—
Restricted stock vesting	13	—	—	—	—	—	—	—	—	—
Shares repurchased related to share-based compensation	(3)	—	3	(19)	—	—	—	(19)	—	—
Issuance of Series A preferred stock	414	—	—	—	4,638	—	—	4,638	38,549	—
Issuance of Series B preferred stock	—	—	—	—	—	—	—	—	—	26,159
Deemed dividends - accretion of beneficial conversion feature	—	—	—	—	(271)	—	—	(271)	271	—
Net loss	—	—	—	—	—	(10,680)	—	(10,680)	—	—
Balance at September 30, 2018	106,822	$ 11	3	$ (19)	$ 176,274	$ (86,019)	$ —	$ 90,247	$ 38,820	$ 26,159

	For the Nine Months Ended September 30, 2018									
	Common Stock		Treasury Stock							
	Shares	Par Value Amount	Shares	Amount	Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders’ Equity	Series A Convertible Preferred Stock	Series B Convertible Preferred Stock
Balance at December 31, 2017	106,275	$ 11	—	$ —	$ 158,738	$ (55,617)	$ (40)	$ 103,092	$ —	$ —
Share-based compensation	—	—	—	—	13,169	—	—	13,169	—	—
Restricted stock vesting	136	—	—	—	—	—	—	—	—	—
Shares repurchased related to share-based compensation	(3)	—	3	(19)	—	—	—	(19)	—	—
Issuance of Series A preferred stock	414	—	—	—	4,638	—	—	4,638	38,549	—
Issuance of Series B preferred stock	—	—	—	—	—	—	—	—	—	26,159
Deemed dividends - accretion of beneficial conversion feature	—	—	—	—	(271)	—	—	(271)	271	—
Adoption of ASU 2016-01	—	—	—	—	—	(40)	40	—	—	—
Net loss	—	—	—	—	—	(30,362)	—	(30,362)	—	—
Balance at September 30, 2018	106,822	$ 11	3	$ (19)	$ 176,274	$ (86,019)	$ —	$ 90,247	$ 38,820	$ 26,159

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NextDecade Corporation
Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Nine Months Ended September 30, 2019	Nine Months Ended September 30, 2018
Operating activities:		
Net loss attributable to NextDecade Corporation	$ (21,990)	$ (30,362)
Adjustment to reconcile net loss to net cash used in operating activities		
Depreciation	164	127
Share-based compensation expense	(12,537)	12,731
(Gain) loss on common stock warrant liabilities	965	(83)
(Gain) loss on investment securities	(276)	28
Realized gain on investment securities	(39)	—
Amortization of right-of-use asset	673	—
Changes in operating assets and liabilities:		
Prepaid expenses	323	295
Accounts payable	84	(42)
Operating lease liabilities	(803)	—
Accrued expenses and other liabilities	153	4,660
Net cash used in operating activities	(33,283)	(12,646)
Investing activities:		
Acquisition of property, plant and equipment	(18,609)	(11,460)
Proceeds from sale of investment securities	48,500	—
Purchase of investment securities	(16,106)	(55,100)
Net cash provided by (used in) investing activities	13,785	(66,560)
Financing activities:		
Proceeds from equity issuance	20,945	79,055
Preferred stock dividends	(30)	—
Equity issuance costs	(95)	(1,653)
Shares repurchased related to share-based compensation	(650)	(19)
Net cash provided by financing activities	20,170	77,383
Net increase (decrease) in cash and cash equivalents	672	(1,823)
Cash and cash equivalents – beginning of period	3,169	35,703
Cash and cash equivalents – end of period	$ 3,841	$ 33,880
Non-cash investing activities:		
Accounts payable for acquisition of property, plant and equipment	$ 964	$ 656
Accrued liabilities for acquisition of property, plant and equipment	15,316	6,056
Non-cash financing activities:		
Accounts payable for equity issuance costs	$ —	$ 150
Accrued liabilities for equity issuance costs	103	301
Paid-in-kind dividends on Series A and Series B Convertible Preferred Stock	7,791	—
Accretion of deemed dividends on Series A Convertible Preferred Stock	1,324	271

The accompanying notes are an integral part of these unaudited consolidated financial statements.

NextDecade Corporation
Notes to Consolidated Financial Statements
(unaudited)

Note 1 — Background and Basis of Presentation

NextDecade Corporation engages in development activities related to the liquefaction and sale of liquefied natural gas ("LNG"). We have focused and continue to focus our development activities on the Rio Grande LNG terminal facility at the Port of Brownsville in southern Texas (the "Terminal") and an associated 137-mile Rio Bravo pipeline to supply gas to the Terminal (the "Pipeline" and together with the Terminal, the "Project"). In January 2017, we also secured a 994-acre site near Texas City, Texas for another potential LNG terminal (the "Galveston Bay Terminal").

Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP") for interim financial information and with Rule 10-01 of Regulation S-X. Accordingly, they do not include all the information and disclosures required by GAAP for complete financial statements and should be read in conjunction with the consolidated financial statements and accompanying notes included in our Annual Report on Form 10-K for the year ended December 31, 2018. In our opinion, all adjustments, consisting only of normal recurring items, which are considered necessary for a fair presentation of the unaudited consolidated financial statements, have been included. The results of operations for the three and nine months ended September 30, 2019 are not necessarily indicative of the operating results for the full year.

During the first quarter of 2019, the Company adopted Accounting Standards Codification ("ASC") Topic 842, *Leases* ("Topic 842"), which requires lessees to recognize a right-of-use asset and a lease liability for all operating leases. The Company adopted Topic 842 using a prospective transition approach, which applies the provisions of Topic 842 at the effective date without adjusting the comparative periods presented, with certain practical expedients available to ease the burden of adoption. See Note 5 – *Leases* for additional information.

Note 2 — Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	September 30, 2019	December 31, 2018
Rio Grande LNG site option	$ 73	$ 508
Short-term security deposits	49	18
Prepaid insurance	371	233
Prepaid marketing and sponsorships	65	242
Prepaid rent	79	10
Prepaid subscriptions	137	26
Equity issuance costs	198	—
Other	316	273
Total prepaid expenses and other current assets	$ 1,288	$ 1,310

Note 3 — Investment Securities

We invest in Class L shares of the JPMorgan Managed Income Fund. The JPMorgan Managed Income Fund has an average maturity of approximately one year, duration of approximately six months, and approximately 7% of such fund's holdings are AAA-rated with 0% non-investment grade rated.

Investment securities consisted of the following (in thousands):

	September 30, 2019		December 31, 2018	
	Fair value	Cost	Fair value	Cost
JPMorgan Managed Income Fund	$ 40,374	$ 40,238	$ 72,453	$ 72,567

Note 4 — Property, Plant and Equipment

Property, plant and equipment consisted of the following (in thousands):

	September 30, 2019	December 31, 2018
Fixed Assets		
Computers	$ 392	$ 164
Furniture, fixtures, and equipment	472	316
Leasehold improvements	546	420
Total fixed assets	1,410	900
Less: accumulated depreciation	(706)	(542)
Total fixed assets, net	704	358
Project Assets (not placed in service)		
Rio Grande	107,160	80,407
Rio Bravo	12,054	11,305
Total project assets	119,214	91,712
Total property, plant and equipment, net	$ 119,918	$ 92,070

Depreciation expense was $80 thousand and $50 thousand for the three months ended September 30, 2019 and 2018, respectively, and $164 thousand and $127 thousand during the nine months ended September 30, 2019 and 2018, respectively.

Note 5 — Leases

We currently lease approximately 38,300 square feet of office space for general and administrative purposes in Houston, Texas under a lease agreement that expires on September 30, 2020.

In January 2017, NextDecade LLC executed surface lease agreements with the City of Texas City and the State of Texas for a 994-acre site for the Galveston Bay Terminal (collectively, the "Galveston Bay Leases"). The term of the Galveston Bay Leases is 36 months with an option to extend for an additional 12 months. Such option was included in the measurement of Operating lease right-of-use assets and Operating lease liabilities.

On March 6, 2019, Rio Grande entered into a lease agreement with the Brownsville Navigation District of Cameron County, Texas ("BND"), pursuant to which Rio Grande has agreed to lease approximately 984 acres of land situated in Cameron County, Texas for the purposes of constructing, operating and maintaining the Terminal.

The initial term of the lease is for 30 years (the "Primary Term"), which will commence on the date specified in a written notice by Rio Grande to BND (the "Effective Date Notice"), if given, confirming that Rio Grande or a Rio Grande affiliate has made a positive final investment decision ("FID") for the first phase of the Terminal. The Effective Date may be no later than November 6, 2019 (the "Outside Effective Date"), provided, however, that in the event Rio Grande does not deliver the Effective Date Notice prior to the Outside Effective Date due to reasons unrelated to an act or omission of its own or its inability to secure one or more of the required permits for the Terminal, then the Outside Effective Date will be automatically extended on a month-to-month basis for a maximum of six months. Rio Grande has the option to renew and extend the term of the lease beyond the Primary Term for up to two consecutive renewal periods of ten years each provided that it has not caused an event of default under the lease.

In adopting Topic 842, the Company has elected the "package of practical expedients," which permits it not to reassess under the new standard its prior conclusions about lease identification, lease classification and initial direct costs. The Company also elected the use-of-hindsight and the practical expedient pertaining to land easements. The Company elected not to apply Topic 842 to arrangements with original lease terms of 12 months or less. At lease commencement date, the Company estimated the lease liability and the right-of-use assets at present value, at inception, of $2.3 million. On January 1, 2019, upon adoption of Topic 842, the Company recorded right-of-use assets of $1.6 million, lease liabilities of $1.9 million, eliminated deferred rent of $0.1 million and recorded a cumulative-effect adjustment of $0.2 million.

The Company determines if a contractual arrangement represents or contains a lease at inception. Operating leases with lease terms greater than twelve months are included in Operating lease right-of-use assets and Operating lease liabilities in the Consolidated Balance Sheets.

Operating lease right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of the future lease payments over the lease term. The Company utilizes its incremental borrowing rate in determining the present value of the future lease payments. The incremental borrowing rate is derived from information available at the lease commencement date and represents the rate of interest that the Company would have to pay to borrow on a collateralized basis over a similar term and amount equal to the lease payments in a similar economic environment. The right-of-use assets and lease liabilities may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company has lease arrangements that include both lease and non-lease components. The Company accounts for non-lease components separately from the lease component.

Operating lease right-of-use assets as of September 30, 2019 are as follows (in thousands):

Office leases	$ 797
Land leases	539
Total operating lease right-of-use assets, net	$ 1,336

Operating lease liabilities as of September 30, 2019 are as follows (in thousands):

Office leases	$ 935
Land leases	577
Total current lease liabilities	1,512
Non-current office leases	10
Non-current land leases	—
Total lease liabilities	$ 1,522

Operating lease expense is as follows (in thousands):

	Three Months Ended September 30, 2019	Nine Months Ended September 30, 2019
Office leases	$ 232	$ 381
Land leases	328	815
Total operating lease expense	560	1,196
Short-term lease expense	38	78
Land option expense	156	476
Total land option and lease expense	$ 754	$ 1,750

Maturity of operating lease liabilities as of September 30, 2019 are as follows (in thousands, except lease term and discount rate):

2019 (remaining)	$ 188
2020	1,412
2021	3
2022	—
2023	—
Thereafter	—
Total undiscounted lease payments	1,603
Discount to present value	(81)
Present value of lease liabilities	$ 1,522
Weighted average remaining lease term - years	1.1
Weighted average discount rate - percent	12.0

Other information related to our operating leases for the nine months ended September 30, 2019 is as follows (in thousands):

Cash paid for amounts included in the measurement of operating lease liabilities:	
Cash flows from operating activities	$ 969
Noncash right-of-use assets recorded for operating lease liabilities:	
Adoption of Topic 842	1,562
In exchange for new operating lease liabilities during the period	446

Note 6 — Other Non-Current Assets

Other non-current assets consisted of the following (in thousands):

	September 30, 2019	December 31, 2018
Permitting costs (1)	$ 1,151	$ -
Enterprise resource planning system	1,920	-
Total other non-current assets	$ 3,071	$ -

(1) Permitting costs primarily represent costs incurred in connection with our permit application to the United States Army Corps of Engineers and the cost of wetlands and habitat mitigation measures that may be caused by the construction of the Project.

Note 7 — Accrued Liabilities and Other Current Liabilities

Accrued liabilities and other current liabilities consisted of the following (in thousands):

	September 30, 2019	December 31, 2018
Employee compensation expense	$ 3,148	$ 3,130
Project asset costs	15,396	2,014
Valve installation incentive(1)	-	2,000
Accrued legal services	534	313
Other accrued liabilities	833	896
Total accrued liabilities and other current liabilities	$ 19,911	$ 8,353

(1) In April 2018, we entered into an agreement with an intrastate pipeline company with assets near the Terminal which incentivizes the pipeline company to procure, permit and install a valve on an intrastate pipeline near the Terminal. We agreed that, upon the later of (i) March 31, 2019 and (ii) thirty days after the date on which the valve was installed, we would reimburse the pipeline company a cash amount equal to 50% of the costs incurred in connection with the valve, up to a maximum payment of $2.0 million. Such valve was installed in 2018 and we reimbursed the pipeline company $2.0 million in the first quarter of 2019.

Note 8 – Preferred Stock and Common Stock Warrants

Preferred Stock

In August 2018, we sold an aggregate of 50,000 shares of Series A Convertible Preferred Stock, par value $0.0001 per share (the “Series A Preferred Stock), at $1,000 per share for an aggregate purchase price of $50 million and we issued an additional 1,000 shares of Series A Preferred Stock in aggregate as origination fees to the purchasers of the Series A Preferred Stock. In September 2018 and May 2019, we sold an aggregate of 29,055 shares and 20,945 shares, respectively, of Series B Convertible Preferred Stock, par value $0.0001 per share (the “Series B Preferred Stock” and, together with the Series A Preferred Stock, the “Convertible Preferred Stock”), at $1,000 per share for a combined purchase price of $50 million and we issued an additional 999 shares of Series B Preferred Stock in aggregate as origination fees to the purchasers of the Series B Preferred Stock. Warrants were issued together with the shares of Convertible Preferred Stock (the “Common Stock Warrants”).

The shares of Convertible Preferred Stock bear dividends at a rate of 12% per annum, which are cumulative and accrue daily from the date of issuance on the $1,000 stated value. Such dividends are payable quarterly and may be paid in cash or in-kind. During the nine months ended September 30, 2019, the Company paid-in-kind $4.8 million and $3.0 million of dividends to the holders of the Series A Preferred Stock and the Series B Preferred Stock, respectively. On October 15, 2019, the Company paid-in-kind $1.7 million and $1.6 million of dividends to the holders of the Series A Preferred Stock and the Series B Preferred Stock, respectively, as of the close of business on September 15, 2019.

Common Stock Warrants

Pursuant to ASC 815-40, *Accounting for Derivative Financial Instruments Indexed to, and Potentially Settled in, a Company's Own Stock*, the fair value of the Common Stock Warrants was recorded as a non-current liability on our Consolidated Balance Sheet on the issuance dates. The Company revalues the Common Stock Warrants at each balance sheet date and recognized a gain of $0.9 million and a loss of approximately $1.0 million during each of the three and nine months ended September 30, 2019, respectively. The Common Stock Warrants are included in Level 3 of the fair value hierarchy.

The Common Stock Warrants have a fixed three-year term commencing on the closings of each issuance of the associated Convertible Preferred Stock. The Common Stock Warrants may only be exercised by the holders thereof at the expiration of such three-year term; however, the Company can force exercise of the Common Stock Warrants prior to expiration of such term if the volume weighted average trading price of shares of Company common stock for each trading day during any 60 of the prior 90 trading days is equal to or greater than 175% of the Conversion Price (as defined in the certificate of designations of the applicable Convertible Preferred Stock) and, in the case of the warrants issued together with the Series B Preferred Stock (the “Series B Warrants”), also if the Company simultaneously elects to force a mandatory exercise of all other warrants then outstanding and unexercised and held by any holder of parity stock.

The Company used a Monte Carlo simulation model to estimate the fair value of the Common Stock Warrants using the following assumptions:

	September 30,	December 31,

	2019	2018
Stock price	$ 5.76	$ 5.40
Exercise price	$ 0.01	$ 0.01
Risk-free rate	1.6%	2.5%
Volatility	27.0%	33.1%
Term (years)	2.1	2.7

Beneficial Conversion Feature

ASC 470-20-20 – *Debt – Debt with conversion and Other Options* ("ASC 470-20") defines a beneficial conversion feature ("BCF") as a nondetachable conversion feature that is in the money at the issuance date. The Company was required by ASC 470-20 to allocate a portion of the proceeds from the Series A Preferred Stock equal to the intrinsic value of the BCF to additional paid-in capital. We are recording the accretion of the $2.5 million Series A Preferred Stock discount attributable to the BCF as a deemed dividend using the effective yield method over the period prior to the expected conversion date. Deemed dividends on the Series A Preferred Stock was $0.3 million for each of the three months ended September 30, 2019 and 2018, and $1.3 million and $0.3 million for each of the nine months ended September 30, 2019 and 2018, respectively.

Initial Fair Value Allocation

Net cash proceeds from the sale of the Series B Preferred Stock in May 2019 were allocated on a fair value basis to the Series B Warrants and on a relative fair value basis to the Series B Preferred Stock.

The allocation of the net cash proceeds is as follows (in thousands):

		Allocation of Proceeds	
		Series B Warrants	Series B Preferred Stock
Gross proceeds	$ 20,945		
Equity issuance costs	—		
Net proceeds - Initial Fair Value Allocation	$ 20,945	$ 1,936	$ 19,009
Per balance sheet upon issuance		$ 1,936	$ 19,009

Note 9 — Net Loss Per Share

The following table (in thousands, except for loss per share) reconciles basic and diluted weighted average common shares outstanding for each of the three and nine months ended September 30, 2019 and 2018:

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Weighted average common shares outstanding:				
Basic	107,181	106,639	107,062	106,476
Dilutive unvested stock, Convertible Preferred Stock, Common Stock Warrants and IPO Warrants	—	—	—	—
Diluted	107,181	106,639	107,062	106,476
Basic and diluted net loss per share attributable to common stockholders	$ (0.06)	$ (0.10)	$ (0.29)	$ (0.29)

Potentially dilutive securities not included in the diluted net loss per share computations because their effect would have been anti-dilutive were as follows (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Unvested stock [(1)]	989	513	768	483
Convertible Preferred Stock	14,678	3,322	12,829	1,119
Common Stock Warrants	1,801	425	1,576	143
IPO Warrants[(2)]	12,082	12,082	12,082	12,082
Total potentially dilutive common shares	29,550	16,342	27,255	13,827

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(1) Does not include 3.2 million shares for each of the three and nine months ended September 30, 2019 and 16.3 million shares for the three and nine months ended September 30, 2018, of unvested stock because the performance conditions had not yet been satisfied as of September 30, 2019 and 2018, respectively.

(2) In 2015, the Company issued warrants in connection with its initial public offering (the "IPO Warrants"). The IPO Warrants are exercisable at a price of $11.50 per share and expire on July 24, 2022. The Company may redeem the IPO Warrants at a price of $0.01 per IPO Warrant upon 30 days' notice only if the last sale price of Company common stock is at least $17.50 per share for any 20 trading days within a 30-trading day period. If the Company redeems the IPO Warrants in this manner, the Company will have the option to do so on a cashless basis with the issuance of an economically equivalent number of shares of Company common stock.

Note 10 — Share-based Compensation

We have granted shares of Company common stock and restricted Company common stock to employees, consultants and a non-employee director under our 2017 Omnibus Incentive Plan (the “2017 Plan”) and in connection with our special meeting of stockholders held on July 24, 2017.

Total share-based compensation consisted of the following (in thousands):

	Three months ended September 30,		Nine months ended September 30,	
	2019	2018	2019	2018
Share-based compensation:				
Equity awards	$ (4,648)	$ 2,451	$ (11,738)	$ 13,169
Liability awards	—	(1,153)	(20)	977
Total share-based compensation	(4,648)	1,298	(11,758)	14,146
Capitalized share-based compensation	(71)	183	(780)	(1,415)
Total share-based compensation expense	$ (4,719)	$ 1,481	$ (12,538)	$ 12,731

On January 1, 2019, we adopted Accounting Standards Update (“ASU”) 2018-07, *Compensation-Stock Compensation* (“ASU 2018-07”). This standard simplifies aspects of share-based compensation issued to non-employees by making the guidance consistent with accounting for employee share-based compensation. Upon adoption of this standard, we reclassified $2.1 million from Share-based compensation liability to Additional paid-in-capital in our Consolidated Balance Sheets.

Certain employee contracts provided for cash bonuses upon a positive FID in the Project (the “FID Bonus”). In January 2018, the compensation committee, formerly the nominating, corporate governance and compensation committee, of the board of directors approved, and certain employees party to such contracts accepted, an amendment to such contracts whereby the FID Bonuses would be settled in shares of Company common stock equal to 110% of the FID Bonus. The associated liability for FID Bonuses to be settled in shares of Company common stock of $0.2 million and $0.4 million is included in Share-based compensation liability in our Consolidated Balance Sheets at September 30, 2019 and December 31, 2018, respectively.

Note 11 — Income Taxes

Due to our cumulative loss position, we have established a full valuation allowance against our deferred tax assets at September 30, 2019 and December 31, 2018. Due to our full valuation allowance, we have not recorded a provision for federal or state income taxes during each of the three and nine months ended September 30, 2019 and 2018.

Note 12 — Commitments and Contingencies

Legal Proceedings

From time to time the Company may be subject to various claims and legal actions that arise in the ordinary course of business. As of September 30, 2019, management is not aware of any claims or legal actions that, separately or in the aggregate, are likely to have a material adverse effect on the Company’s financial position, results of operations or cash flows, although the Company cannot guarantee that a material adverse effect will not occur.

Engineering, Procurement and Construction Contract

During the second quarter of 2019, we issued a limited notice to proceed (“LNTP”) to Bechtel Oil, Gas and Chemicals, Inc. (“Bechtel”) under that certain Fixed Price Turnkey Agreement for the Engineering, Procurement and Construction of Trains 1 and 2 of the Rio Grande Natural Gas Liquefaction Facility by and between Rio Grande and Bechtel, dated as of May 24, 2019 (the "EPC Contract"). In connection with the issuance of the LNTP, we were committed to spend approximately $30.3 million in 2019, of which $5.0 million was paid as of September 30, 2019 and an additional $15.0 million was settled with the issuance of approximately 2.1 million shares of Company common stock subsequent to September 30, 2019.

Permitting Costs

During the third quarter of 2019, we entered into agreements with third parties for wetland and habitat mitigation measures. In connection with the wetland and habitat mitigation measures, we are committed to spend approximately $3.4 million in 2019 and $5.5 million in 2020.

Note 13 — Recent Accounting Pronouncements

The following table provides a brief description of recent accounting standards that were adopted by the Company as of September 30, 2019:

Standard	Description	Date of Adoption	Effect on our Consolidated Financial Statements or Other Significant Matters
ASU 2016-02, *Leases (Topic 842)*	This standard requires a lessee to recognize leases on its balance sheet by recording a lease liability representing the obligation to make future lease payments and a right-of-use asset representing the right to use the underlying asset for the lease term. A lessee is permitted to make an election not to recognize lease assets and liabilities for leases with a term of 12 months or less. The standard also modifies the definition of a lease and requires expanded disclosures. This standard may be early adopted, and must be adopted using a modified retrospective approach with certain available practical expedients.	January 1, 2019	We have adopted this accounting standard using a prospective transition approach, which applies the provisions of the new guidance at the effective date without adjusting the comparative periods presented. Upon adoption of this standard, we recognized operating lease right-of use assets of $1.6 million and operating lease liabilities of $1.9 million. See Note 5 - *Leases* of our Notes to Consolidated Financial Statements for additional details.
ASU 2018-07, *Compensation-Stock Compensation (Topic 718)*	This standard simplifies aspects of share-based compensation issued to non-employees by making the guidance consistent with accounting for employee share-based compensation. The amendments specify that Topic 718 applies to all share-based payment transactions in which a grantor acquires goods or services to be used or consumed in a grantor's own operations by issuing share-based payment awards. This standard may be early adopted, and must be adopted using a modified retrospective approach.	January 1, 2019	Upon adoption of this standard, we reclassified $2.1 million from Share-based compensation liability to Additional paid-in-capital in our Consolidated Balance Sheets. The fair value of share based compensation awards to non-employees will not be remeasured subsequent to December 31, 2018.
ASU 2018-15, *Intangibles, Goodwill and Other Internal Use Software (Subtopic 350-40)*	The amendments in this update align the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal-use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by the amendments in this update. Accordingly, the amendments in this update require an entity (customer) in a hosting arrangement that is a service contract to follow the guidance in Subtopic 350-40 to determine which implementation costs to capitalize as an asset related to the service contract and which costs to expense. These amendments may be early adopted and are required to be applied retrospectively or prospectively to all implementation costs incurred after the date of adoption.	July 1, 2019	Upon adoption of this standard, we capitalized approximately $1.9 million of implementation costs incurred for our Enterprise Resource Planning system. The capitalized costs will be amortized over the hosting period.

Note 14 — Subsequent Events

On October 1, 2019, we issued 2,119,728 shares of Company common stock to BDC Oil and Gas Holdings, LLC (“BDC Oil and Gas”), an affiliate of Bechtel. The shares of Company common stock were issued in lieu of a cash payment of $15.0 million in amounts invoiced by Bechtel pursuant to the EPC Contract.

On October 24, 2019, the Company entered into a Common Stock Purchase Agreement (the "Stock Purchase Agreement") with Ninteenth Investment Company LLC, an affiliate of Mubadala Investment Company PJSC (the "Purchaser"), pursuant to which the Company agreed to sell, and the Purchaser agreed to purchase, an aggregate of $50.0 million of shares of Company common stock. The offering of such shares of Company common stock and other transactions contemplated by the Stock Purchase Agreement closed on October 28, 2019. At closing, the Company received proceeds of $50.0 million and issued 7,974,482 shares of Company common stock to the Purchaser.

Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

Forward-Looking Statements

This Quarterly Report on Form 10-Q includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements other than statements of historical fact contained in this Quarterly Report on Form 10-Q, including statements regarding our future results of operations and financial position, strategy and plans, and our expectations for future operations, are forward-looking statements. The words “anticipate,” “contemplate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “might,” “will,” “would,” “could,” “should,” “can have,” “likely,” “continue,” “design” and other words and terms of similar expressions, are intended to identify forward-looking statements.

We have based these forward-looking statements largely on our current expectations and projections about future events and trends that we believe may affect our financial condition, results of operations, strategy, short-term and long-term business operations and objectives and financial needs.

Although we believe that the expectations reflected in our forward-looking statements are reasonable, actual results could differ from those expressed in our forward-looking statements. Our future financial position and results of operations, as well as any forward-looking statements, are subject to change and inherent risks and uncertainties, including those described in the section titled “Risk Factors” in our most recent Annual Report on Form 10-K. You should consider our forward-looking statements in light of a number of factors that may cause actual results to vary from our forward-looking statements including, but not limited to:

- progress in the development of our liquefied natural gas (“LNG”) liquefaction and export projects and the timing of that progress;
- government approval of construction and operation of the terminal at the Port of Brownsville in southern Texas (the “Terminal”) and an associated 137-mile pipeline to supply gas to the Terminal (the “Pipeline” and together with the Terminal, the “Project”) and the timing of that approval;
- the successful completion of the Project by third-party contractors;
- our ability to secure additional debt and equity financing in the future to complete the Project;
- the accuracy of estimated costs for the Project;
- statements that the Project, when completed, will have certain characteristics, including amounts of liquefaction capacities;
- the development risks, operational hazards, regulatory approvals applicable to Rio Grande’s and Rio Bravo’s construction and operations activities;
- our anticipated competitive advantage and technological innovation which may render our anticipated competitive advantage obsolete;
- the global demand for and price of natural gas (versus the price of imported LNG);
- the availability of LNG vessels worldwide;
- negotiations for the Terminal site lease and right-of-way options for the Pipeline route;
- changes in legislation and regulations relating to the LNG industry, including environmental laws and regulations that impose significant compliance costs and liabilities;
- risks related to doing business in and having counterparties in foreign countries;
- our ability to maintain the listing of our securities on a securities exchange or quotation medium;
- changes adversely affecting the business in which we are engaged;
- management of growth;
- general economic conditions;

- our ability to generate cash;
- compliance with environmental laws and regulations; and
- the result of future financing efforts and applications for customary tax incentives.

Should one or more of the foregoing risks or uncertainties materialize in a way that negatively impacts us, or should the underlying assumptions prove incorrect, our actual results may vary materially from those anticipated in our forward-looking statements, and our business, financial condition, and results of operations could be materially and adversely affected.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are made as of the date of this Quarterly Report on Form 10-Q. You should not rely upon forward-looking statements as predictions of future events. In addition, neither we nor any other person assumes responsibility for the accuracy and completeness of any of these forward-looking statements.

Except as required by applicable law, we do not undertake any obligation to publicly correct or update any forward-looking statements. All forward-looking statements attributable to us are expressly qualified in their entirety by these cautionary statements as well as others made in our most recent Annual Report on Form 10-K as well as other filings we have made and will make with the Securities and Exchange Commission (the "SEC") and our public communications. You should evaluate all forward-looking statements made by us in the context of these risks and uncertainties.

Overview

NextDecade Corporation is a LNG development company focused on LNG export projects and associated pipelines in the State of Texas. We have focused and continue to focus our development activities on the Project and have undertaken and continue to undertake various initiatives to evaluate, design and engineer the Project that we expect will result in demand for contracted capacity at the Terminal, which would allow us to seek construction financing to develop the Project. We believe the Project possesses competitive advantages in several important areas, including, engineering, commercial, regulatory, and gas supply. We submitted a pre-filing request for the Project to the FERC in March 2015 and filed a formal application with the FERC in May 2016. We also believe we have robust commercial offtake and gas supply strategies in place and we estimate that the Project could commence commercial operations as early as 2023.

Unless the context requires otherwise, references to "NextDecade," "the Company," "we," "us," and "our" refer to NextDecade Corporation and its consolidated subsidiaries.

Recent Developments

Common Stock Purchase Agreement

On October 24, 2019, the Company entered into a Common Stock Purchase Agreement (the "Stock Purchase Agreement") with Ninteenth Investment Company LLC, an affiliate of Mubadala Investment Company PJSC (the "Purchaser"), pursuant to which the Company agreed to sell, and the Purchaser agreed to purchase, an aggregate of $50.0 million of shares of the Company common stock. The offering of such shares of Company common stock (the "Offering") and the other transactions contemplated by the Stock Purchase Agreement closed on October 28, 2019. At closing, the Company received proceeds of $50.0 million and issued 7,974,482 shares of Company common stock to the Purchaser.

For additional details on the Offering and the transactions in connection therewith, please refer to our Current Report on Form 8-K filed with the Securities and Exchange Commission on October 24, 2019.

Significant Events

LNG Sale and Purchase Agreement

In March 2019, we entered into a 20-year sale and purchase agreement (the "SPA") with Shell NA LNG LLC ("Shell") for the supply of two million tons per annum of liquefied natural gas from the Terminal.

Pursuant to the SPA, Shell will purchase LNG on a free-on-board basis starting from the commercial operation date of the Terminal, currently expected in 2023, with approximately three-quarters of the purchased LNG volume indexed to Brent and the remaining volume indexed to domestic United States gas indices, including Henry Hub.

The Shell SPA becomes effective upon the satisfaction of certain conditions precedent, which include a positive final investment decision ("FID") in the Project.

Rio Grande Site Lease

On March 6, 2019, Rio Grande entered into a lease agreement with the Brownsville Navigation District of Cameron County, Texas ("BND"), pursuant to which Rio Grande has agreed to lease approximately 984 acres of land situated in Cameron County, Texas for the purposes of constructing, operating, and maintaining the Terminal.

The initial term of the lease is for 30 years (the "Primary Term"), which will commence on the date specified in a written notice by Rio Grande to BND (the "Effective Date Notice"), if given, confirming that Rio Grande or a Rio Grande affiliate has made a FID for the first phase of the Terminal. The Effective Date may be no later than November 6, 2019, subject to certain exceptions. Rio Grande has the option to renew and extend the term of the lease beyond the Primary Term for up to two consecutive renewal periods of ten years each provided that it has not caused an event of default under the lease.

Engineering, Procurement, and Construction Contract

During the third quarter of 2018, we initiated a competitive engineering, procurement and construction ("EPC") bid process. We received expressions of interest (the "EOIs") from multiple EPC contractors to participate in the EPC bid process. We reviewed the EOIs against a series of selection criteria and issued formal invitations to bid to Bechtel Oil, Gas, and Chemicals, Inc. ("Bechtel"), Fluor Corporation ("Fluor") and McDermott International, Inc. ("McDermott").

On April 22, 2019, we received EPC bid packages from each of Bechtel and Fluor, two of the global LNG market's leading EPC contractors. The technical and commercial bid packages, which were received on-schedule, were for fully wrapped lump-sum separated turnkey ("LSTK") EPC contracts for the Terminal.

On May 24, 2019, we entered into two LSTK EPC agreements with Bechtel for the construction of (i) two LNG trains with expected aggregate production capacity up to approximately 11.74 million tonnes per annum (“mtpa”), two 180,000m^3 full containment LNG tanks, one marine loading berth, related utilities and facilities, and all related appurtenances thereto, together with certain additional work options (the “Trains 1 and 2 EPC Agreement”) and (ii) an LNG train with expected production capacity of up to approximately 5.87 mtpa, related utilities and facilities, and all related appurtenances thereto (the “Train 3 EPC Agreement” and together with the Trains 1 and 2 EPC Agreement, the “EPC Agreements”). We agreed to pay to Bechtel a contract price of $7.042 billion for the work under the Trains 1 and 2 EPC Agreement and a contract price of $2.323 billion for the work under the Train 3 EPC Agreement. Bechtel will perform limited notice to proceed (“LNTP”) activities until January 1, 2020 and agreed to accept approximately 2.1 million shares of Company common stock as payment for LNTP activities.

Series B Convertible Preferred Stock Purchase Agreements

On May 24, 2019, pursuant to the Series B Convertible Preferred Stock Purchase Agreements, dated as of May 17, 2019 (the "Series B Stock Purchase Agreements"), with (i) York Tactical Energy Fund, L.P. and York Tactical Energy Fund PIV-AN, L.P., (ii) First Series of HDML Fund I, LLC, Bardin Hill Event Driven Master Fund, LP, and HCN LP, (iii) Valinor Capital Partners, L.P. and Valinor Capital Partners Offshore Master Fund, L.P and (iv) HGC NEXT INV LLC we sold an aggregate of $20.945 million of shares of the Company's Series B Convertible Preferred Stock, par value $0.0001 per share (the "Series B Preferred Stock"), together with associated warrants. Such warrants represent the right to acquire approximately 30 basis points (0.30%) in the aggregate of the fully diluted shares of all outstanding shares of Company common stock on the exercise date with a strike price of $0.01 per share.

Receipt of Final Environmental Impact Statement

On April 26, 2019, we received our final environmental impact statement ("FEIS") from the FERC for the Terminal and the Pipeline. The FEIS was prepared in compliance with the requirements of the National Environmental Policy Act ("NEPA"), the Council on Environmental Quality regulations for implementing NEPA, and FERC regulations.

U.S. Fish and Wildlife Service Final Biological Opinion

On October 1, 2019, the U.S. Fish and Wildlife Service issued the final biological opinion to the FERC, concluding that the construction of the Project will not likely jeopardize the continued existence of the ocelot or the Gulf coast jaguarundi.

Liquidity and Capital Resources

Capital Resources

We have funded and continue to fund the development of the Project and general working capital needs through our cash on hand and proceeds from the issuance of equity. Our capital resources consisted of approximately $3.8 million of cash and cash equivalents and $40.4 million of investment securities as of September 30, 2019.

Sources and Uses of Cash

The following table summarizes the sources and uses of our cash for the periods presented (in thousands):

	Nine Months Ended September 30,	
	2019	**2018**
Operating cash flows	$ (33,283)	$ (12,646)
Investing cash flows	13,785	(66,560)
Financing cash flows	20,170	77,383
Net increase (decrease) in cash and cash equivalents	672	(1,823)
Cash and cash equivalents – beginning of period	3,169	35,703
Cash and cash equivalents – end of period	$ 3,841	$ 33,880

Operating Cash Flows

Operating cash outflows during the nine months ended September 30, 2019 and 2018 were $33.3 million and $12.7 million, respectively. The increase in operating cash outflows during the nine months ended September 30, 2019 compared to the nine months ended September 30, 2018 was primarily related to invitation to bid contract costs, additional employees, increased professional fees and travel costs, and increased marketing and conference sponsorship costs.

Investing Cash Flows

Investing cash inflows (outflows) during the nine months ended September 30, 2019 and 2018 were $13.8 million and $(66.6) million, respectively. The investing cash inflows during the nine months ended September 30, 2019 were primarily the result of the sale of $48.5 million of investment securities partially offset by cash used in the development of the Project of $18.6 million and the purchase of investment securities of $16.1 million. The investing cash outflows for nine months ended September 30, 2018 were primarily the result of cash used in the development of the Project of $11.5 million and the purchase of investment securities of $55.1 million.

Financing Cash Flows

Financing cash inflows during the nine months ended September 30, 2019 and 2018 were $20.2 million and $77.4 million, respectively. For the nine months ended September 30, 2019 financing cash inflows were primarily the result of the sale of Series B Preferred Stock for $20.9 million partially offset by $0.7 million of common stock repurchased related to share-based compensation. For the nine months ended September 30, 2018 financing cash inflows were primarily the result of $79.1 million of proceeds from the issuance of preferred equity offset by $1.7 million of equity issuance costs.

Capital Development Activities

We are primarily engaged in developing the Project, which will require significant additional capital to support further project development, engineering, regulatory approvals and compliance, and commercial activities in advance of a FID made to finance and construct the Project. Even if successfully completed, the Project will not begin to operate and generate cash flows until at least several years from now, which management currently estimates being as early as 2023. Construction of the Project would not begin until, among other requirements for project financing, the FERC issues an order granting the necessary authorizations under the Natural Gas Act and once all required federal, state and local permits have been obtained. We estimate that we will receive all regulatory approvals and begin construction to support the commencement of commercial operations as early as 2023. As a result, our business success will depend, to a significant extent, upon our ability to obtain the funding necessary to construct the Project, to bring it into operation on a commercially viable basis and to finance our staffing, operating and expansion costs during that process.

We have engaged SG Americas Securities, LLC (a business unit of Société Générale) and Macquarie Capital (USA) Inc. to advise and assist us in raising capital for post-FID construction activities.

We currently expect that the long-term capital requirements for the Project will be financed predominately through project financing and proceeds from future debt and equity offerings by us. There can be no assurance that we will succeed in securing additional debt and/or equity financing in the future to complete the Project or, if successful, that the capital we raise will not be expensive or dilutive to stockholders. Additionally, if these types of financing are not available, we will be required to seek alternative sources of financing, which may not be available on terms acceptable to us, if at all.

Contractual Obligations

There have been no material changes to our contractual obligations from those disclosed in our Annual Report on Form 10-K for the fiscal year ended December 31, 2018, except for our obligation of $25.3 million at September 30, 2019 for limited notice to proceed activities as compared to zero at December 31, 2018 and our obligation of $7.7 million at September 30, 2019 for wetland and habitat mitigation measures as compared to zero at December 31, 2018.

Results of Operations

The following table summarizes costs, expenses and other income for the periods indicated (in thousands):

	For the Three Months Ended September 30,			For the Nine Months Ended September 30,		
	2019	2018	Change	2019	2018	Change
Revenues	$ —	$ —	$ —	$ —	$ —	$ —
General and administrative expense	3,579	6,214	(2,635)	10,405	25,533	(15,128)
Invitation to bid contract costs	-	4,418	(4,418)	10,163	4,418	5,745
Land option and lease expense	754	297	457	1,750	797	953
Depreciation expense	80	50	30	164	127	37
Operating loss	(4,413)	(10,979)	6,566	(22,482)	(30,875)	8,393
Gain (loss) on common stock warrant liabilities	873	83	790	(965)	83	(1,048)
Interest income, net	319	222	97	1,193	475	718
Other	(7)	(6)	(1)	264	(45)	309
Net loss attributable to NextDecade Corporation	(3,228)	(10,680)	7,452	(21,990)	(30,362)	8,372
Preferred stock dividends	(2,849)	-	(2,849)	(7,821)	-	(7,821)
Deemed dividends on Series A Convertible Preferred Stock	(286)	(271)	(15)	(1,324)	(271)	(1,053)
Net loss attributable to common stockholders	$ (6,363)	$ (10,951)	$ 4,588	$ (31,135)	$ (30,633)	$ (502)

Our consolidated net loss was $3.2 million, or $0.06 per common share (basic and diluted), for the three months ended September 30, 2019 compared to a net loss of $10.7 million, or $0.10 per common share (basic and diluted), for the three months ended September 30, 2018. The $7.5 million decrease in net loss was primarily a result of decreased invitation to bid contract costs and a decrease in general and administrative expense discussed separately below.

Our consolidated net loss was $22.0 million, or $0.29 per common share (basic and diluted), for the nine months ended September 30, 2019 compared to a net loss of $30.4 million, or $0.29 per common share (basic and diluted), for the nine months ended September 30, 2018. The $8.4 million decrease in net loss was primarily a result of a decrease in general and administrative expense discussed separately below, partially offset by an increase in invitation to bid contract costs and loss on common stock warrant liabilities.

General and administrative expense during the three months ended September 30, 2019 decreased $2.6 million compared to the same period in 2018 primarily due to a decrease in share-based compensation expense of $6.2 million partially offset by an increase in expenses related to additional employees, increased professional fees and travel costs, and increased marketing and conference sponsorship costs. The decrease in share-based compensation expense is primarily a result of forfeitures of restricted stock during the three months ended September 30, 2019.

General and administrative expense during the nine months ended September 30, 2019 decreased $15.1 million compared to the same period in 2018 primarily due to a decrease in share-based compensation expense of $25.3 million partially offset by an increase in expenses related to additional employees, increased professional fees and travel costs, and increased marketing and conference sponsorship costs. The decrease in share-based compensation expense is primarily a result of forfeitures of restricted stock during the nine months ended September 30, 2019.

For the three and nine months ended September 30, 2019, we incurred approximately zero and $10.2 million, respectively of invitation to bid contract costs as a result of our receipt of bid packages from Bechtel and Fluor and the execution of the EPC Agreements with Bechtel discussed under Significant Events above, compared to $4.4 million of invitation to bid contract costs incurred during each of the same periods in 2018.

The gain on common stock warrant liabilities of $0.9 million for the three months ended September 30, 2019 is primarily due to an decrease in the share price of Company common stock from December 31, 2018 to the re-measurement date at September 30, 2019 as compared to a $0.1 million gain during each of the three and nine months ended September 30, 2018 due to a decrease in the share price of the Company common stock from the initial valuation dates to September 30, 2018.

Loss on common stock warrant liabilities of $1.0 million for the nine months ended September 30, 2019 is primarily due to an increase in the share price of Company common stock from December 31, 2018 to the re-measurement date at September 30, 2019.

Interest income, net during the three and nine months ended September 30, 2019 increased $0.1 million and $0.7 million, respectively, compared to the same periods in 2018 due to increased yield and higher average balances maintained in our cash, cash equivalent and investment securities accounts.

Preferred stock dividends for the three and nine months ended September 30, 2019 of $2.8 million and $7.8 million, respectively, consisted of dividends paid-in kind to holders of Series A Convertible Preferred Stock, par value $0.0001 per share (the "Series A Preferred Stock"), and Series B Preferred Stock. There were no dividends declared to the holders of Series A Preferred Stock or Series B Preferred Stock during the three or nine months ended September 30, 2018.

Deemed dividends on the Series A Preferred Stock for the three and nine months ended September 30, 2019 represents the accretion of the beneficial conversion feature associated with the Series A Preferred Stock issued in the third quarter of 2018.

Off-Balance Sheet Arrangements

We did not have any off-balance sheet arrangements as of September 30, 2019.

Summary of Critical Accounting Estimates

The preparation of our Consolidated Financial Statements in conformity with accounting principles generally accepted in the United States of America ("GAAP") requires management to make certain estimates and assumptions that affect the amounts reported in the Consolidated Financial Statements and the accompanying notes. There have been no significant changes to our critical accounting estimates from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2018.

Recent Accounting Standards

For descriptions of recently issued accounting standards, see Note 13 – *Recent Accounting Pronouncements* of our Notes to Consolidated Financial Statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Not applicable.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed by us in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of "our disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, as of the end of the fiscal quarter ended September 30, 2019. Based on this evaluation, our principal executive officer and principal financial officer have concluded that, as of September 30, 2019, our disclosure controls and procedures were effective.

Changes in Internal Control over Financial Reporting

During the most recent fiscal quarter, there were no changes in our internal controls over financial reporting that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 1A. Risk Factors

There were no changes to the risk factors previously disclosed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2018.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Purchase of Equity Securities by the Issuer

The following table summarizes stock repurchases for the three months ended September 30, 2019:

Period	Total Number of Shares Purchased (1)	Average Price Paid Per Share (2)	Total Number of Shares Purchased as a Part of Publicly Announced Plans	Maximum Number of Units That May Yet Be Purchased Under the Plans
July 2019	974	$ 5.90	—	—
August 2019	—	—	—	—
September 2019	33,688	6.32	—	—

(1) Represents shares of Company common stock surrendered to us by participants in our 2017 Omnibus Incentive Plan (the "2017 Plan") to settle the participants' personal tax liabilities that resulted from the lapsing of restrictions on shares awarded to the participants under the 2017 Plan.

(2) The price paid per share of Company common stock was based on the closing trading price of such stock on the dates on which we repurchased shares of Company common stock from the participants under the 2017 Plan.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
3.1[(1)]	Second Amended and Restated Certificate of Incorporation of NextDecade Corporation, dated July 24, 2017.
3.2[(2)]	Amended and Restated Bylaws of NextDecade Corporation, dated July 24, 2017.
3.3[(3)]	Certificate of Designations of Series A Convertible Preferred Stock, dated August 9, 2018.
3.4[(4)]	Certificate of Designations of Series B Convertible Preferred Stock, dated September 28, 2018.
3.5[(5)]	Certificate of Amendment to Certificate of Designations of Series A Convertible Preferred Stock, dated July 12, 2019.
3.6[(6)]	Certificate of Amendment to Certificate of Designations of Series B Convertible Preferred Stock, dated July 12, 2019.
3.7[(7)]	Certificate of Increase to Certificate of Designations of Series A Convertible Preferred Stock of NextDecade Corporation, dated July 15, 2019.
3.8[(8)]	Certificate of Increase to Certificate of Designations of Series B Convertible Preferred Stock of NextDecade Corporation, dated July 15, 2019.
4.1[(9)]	Specimen Common Share Certificate.
4.2[(10)]	Specimen Unit Certificate.
4.3[(11)]	Specimen Warrant Certificate.
4.4[(12)]	Form of Warrant Agreement between Harmony Merger Corp. and Continental Stock Transfer & Trust Company.
4.5[(13)]	Form of Warrant Agreement for the Series A Warrants.
4.6[(14)]	Form of Warrant Agreement for the Series B Warrants.
10.1*	Non-Affiliate Director Compensation Policy
10.2*	Form of Non-Affiliate Director Restricted Stock Award Agreement
31.1*	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.

(1) Incorporated by reference to Exhibit 3.1 of the Registrant’s Current Report on Form 8-K, filed July 28, 2017.
(2) Incorporated by reference to Exhibit 3.2 of the Registrant’s Current Report on Form 8-K, filed July 28, 2017.
(3) Incorporated by reference to Exhibit 4.3 of the Registrant’s Registration Statement on Form S-3, filed December 20, 2018.
(4) Incorporated by reference to Exhibit 3.4 of the Registrant’s Quarterly Report on Form 10-Q, filed November 9, 2018.
(5) Incorporated by reference to Exhibit 3.1 of the Registrant’s Current Report on Form 8-K, filed July 15, 2019.
(6) Incorporated by reference to Exhibit 3.2 of the Registrant’s Current Report on Form 8-K, filed July 15, 2019.
(7) Incorporated by reference to Exhibit 3.7 of the Registrant's Quarterly Report on Form 10-Q, filed August 6, 2019.
(8) Incorporated by reference to Exhibit 3.8 of the Registrant's Quarterly Report on Form 10-Q, filed August 6, 2019.
(9) Incorporated by reference to Exhibit 4.2 of the Amendment No. 2 to the Registrant’s Registration Statement on Form S-1, filed October 10, 2014.
(10) Incorporated by reference to Exhibit 4.1 of the Amendment No. 7 to the Registrant’s Registration Statement on Form S-1, filed March 13, 2015.
(11) Incorporated by reference to Exhibit 4.3 of the Amendment No. 7 to the Registrant’s Registration Statement on Form S-1, filed March 13, 2015.
(12) Incorporated by reference to Exhibit 4.4 of the Amendment No. 7 to the Registrant’s Registration Statement on Form S-1, filed March 13, 2015.
(13) Incorporated by reference to Exhibit 4.1 of the Registrant’s Current Report on Form 8-K, filed August 7, 2018.
(14) Incorporated by reference to Exhibit 4.1 of the Registrant’s Current Report on Form 8-K, filed August 24, 2018.

* Filed herewith.
** Furnished herewith.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	NEXTDECADE CORPORATION
Date: November 5, 2019	By: /s/ Matthew K. Schatzman Matthew K. Schatzman Chairman of the Board and Chief Executive Officer (Principal Executive Officer)
Date: November 5, 2019	By: /s/ Benjamin A. Atkins Benjamin A. Atkins Chief Financial Officer (Principal Financial Officer)

Exhibit 10.1

NextDecade Corporation

Director Compensation Policy

(Adopted by the NextDecade Corporation Board of Directors, effective October 14, 2019)

Members of the Board of Directors (the "Board") of NextDecade Corporation (the "Company") who are not employees of the Company or any subsidiary of the Company and who are not appointed to the Board pursuant to any agreement or arrangement with the Company ("Non-affiliate Directors") shall be paid the following amounts in consideration for their services on the Board. Each Non-affiliate Director will be solely responsible for any tax obligations incurred by such Non-affiliate Director as a result of the equity and cash payments such Non-affiliate Director receives under this Policy.

Annual Compensation

Cash Compensation

Annual Cash Retainer for each Non-affiliate Director. Each Non-affiliate Director shall be paid an annual cash retainer of $80,000.

Additional Annual Cash Compensation Payable for each Non-affiliate Director Committee Chairperson:

- Audit Committee: $20,000
- Each Other Standing Committee: $15,000

There are no per-meeting attendance fees for members of the Board for attending Board meetings. All cash compensation payable to Non-affiliate Directors and Non-affiliate Director Committee Chairpersons shall be prorated for partial years of service and paid monthly in arrears.

Equity Compensation

Without any further action of the Board or its Compensation Committee, at the close of business on the last day of each calendar quarter (each, an "Award Grant Date"), each Non-affiliate Director will be awarded a grant of fully vested shares of Company common stock in consideration for such Non-affiliate Director's services on the Board for such calendar quarter (each, a "Stock Award") pursuant to and in compliance with the Company's 2017 Omnibus Incentive Plan (as amended from time to time and including any successor thereto, the "Plan"). The number of shares subject to each Stock Award shall equal (i) $30,000 divided by (ii) the closing price of the Company's common stock on the Nasdaq Capital Market ("Nasdaq") on the Award Grant Date, or, if the Award Grant Date is not a trading day, then the last trading day occurring prior to the Award Grant Date.

Stock Awards shall be prorated based on actual days of service on the Board for any calendar quarter during which a Non-affiliate Director joins the Board. If a Non-affiliate Director ceases to serve as a Non-affiliate Director before the applicable Award Grant Date in any calendar quarter, then, without any further action of the Board or the Compensation Committee, such Non-affiliate Director shall be granted a prorated Stock Award at the close of business on such Non-affiliate Director's last day of service, with the number of shares subject to such Stock Award based on the closing price of the Company's common stock on Nasdaq on such Non-affiliate Director's last day of service, or, if such Non-affiliate Director's last day of service is not a trading day, then the last trading day occurring prior to such Non-affiliate Director's last day of service.

If determined by the Board or the Compensation Committee, each Non-affiliate Director may elect to defer the delivery of the settlement of any shares of the Company's common stock that would otherwise be delivered to such Non-affiliate Director on (or shortly following) the Award Grant Date. Any such deferral election shall be subject to such rules, conditions and procedures as shall be determined by the Board or the Compensation Committee, which rules, conditions and procedures shall at all times comply with the requirements of Section 409A of the Internal Revenue Code, as amended from time to time ("Section 409A").

The remaining terms and conditions of each Stock Award, including transferability, will be as set forth in the Company's standard award agreement, in the form adopted from time to time by the Board or the Compensation Committee.

Expense Reimbursement

Each director of the Company, including Board observers, shall be entitled to receive reimbursement of all reasonable out-of-pocket expenses incurred in connection with attending meetings of the Board. Such reimbursement is in addition to the compensation provided for under this Policy.

Section 409A

This Policy is intended to comply with, or otherwise be exempt from, Section 409A, and, accordingly, to the maximum extent permitted, the Policy shall be interpreted and administered consistent with such intention.

Revisions

The Board may amend, alter, suspend or terminate this Policy at any time and for any reason. No amendment, alteration, suspension or termination of this Policy will materially impair the rights of a member of the Board with respect to compensation that already has been paid or earned, if applicable, unless otherwise mutually agreed between such member and the Company. Termination of this Policy will not affect the Board's or the Compensation Committee's ability to exercise the powers granted to it under the Plan with respect to equity awards granted under the Plan pursuant to this Policy prior to the date of such termination.

Exhibit 10.2

[FORM OF RESTRICTED STOCK AGREEMENT (NON-AFFILIATED DIRECTORS)]

NEXTDECADE CORPORATION
2017 Omnibus Incentive Plan

Restricted Stock Award Agreement

This Restricted Stock Award Agreement (this "*Agreement*") is made by and between NextDecade Corporation, a Delaware corporation (the "*Company*"), and [●] (the "*Participant*"), effective as of [●] (the "*Date of Grant*").

RECITALS

WHEREAS, the Company has adopted the NextDecade Corporation 2017 Omnibus Incentive Plan (as the same may be amended from time to time, the "*Plan*"), which Plan is incorporated herein by reference and made a part of this Agreement, and capitalized terms not otherwise defined in this Agreement shall have the meanings ascribed to those terms in the Plan; and

WHEREAS, the Committee has authorized and approved the grant of an Award to the Participant of Common Stock, subject to the terms and conditions set forth in the Plan and this Agreement.

NOW THEREFORE, in consideration of the premises and mutual covenants set forth in this Agreement, the parties agree as follows:

1. Grant of Stock Award. The Company hereby grants to the Participant, effective as of the Date of Grant, a restricted stock award covering [●] shares of Common Stock ("*Restricted Stock*"), on the terms and conditions set forth in the Plan and this Agreement.

2. Vesting of Restricted Stock. Subject to the terms and conditions set forth in the Plan and this Agreement, the Restricted Stock shall vest as follows, and be subject to the following conditions:

(a) Except as otherwise provided in this Section 2, and subject to the Participant's continued Service from the Date of Grant through the relevant vesting date below, the Restricted Stock shall vest as follows:

[●]

(b) Change of Control. Notwithstanding the foregoing vesting schedule, all shares of Restricted Stock shall fully vest upon a Change of Control, subject to the Participant's continued Service from the Date of Grant through such Change of Control.

(c) Termination of Service. Notwithstanding the foregoing vesting schedule, upon the Participant's termination of Service with the Company or its Subsidiaries, a number of shares of Restricted Stock equal to the number of shares of Restricted Stock that would have otherwise vested during the vesting period in which such termination occurs shall vest pro rata based on the number of days of Service in such vesting period prior to such termination of Service. All rights of the Participant to any Restricted Stock that remains unvested (after giving effect to this Section 2(c)) as of the date of Participant's termination of Service with the Company or its Subsidiaries for any reason shall terminate immediately and all such Restricted Stock shall immediately be forfeited in their entirety to the Company for no consideration.

(d) For purposes of this Agreement, Restricted Stock that vests pursuant to this Section 2 shall no longer constitute Restricted Stock and, following such vesting, shall constitute vested Common Stock ("*Vested Stock*").

(e) Notwithstanding anything to the contrary herein or in the Plan, any shares covered by or issued under this Agreement, regardless of whether such shares constitute Restricted Stock or Vested Stock, shall be forfeited to the Company for no consideration if and to the extent that this Restricted Stock award is in breach of Section 4.4 of the Plan (for this purpose, if applicable, as amended by the Board after the Date of Grant and subsequently approved by the Company's stockholders in connection with the Company's Annual Meeting of Stockholders immediately following the Date of Grant).

3. Issuance of Shares.

(a) Book-Entry Registration of the Shares; Delivery of Shares. The Company may at its election either: (i) after the Date of Grant, issue a certificate representing the shares of Restricted Stock subject to this Agreement and place a legend and stop transfer notice on that certificate, in which case the Company may retain that certificate unless, until and as any shares represented by that certificate have vested and may cancel that certificate if and to the extent that the shares of Restricted Stock are forfeited or otherwise required to be transferred back to the Company; provided that, if the shares of Restricted Stock are to be certificated, the Company may require the Participant to deliver to the Company a duly-executed blank stock power in a form to be provided by the Company; or (ii) not issue any certificate representing the shares of Restricted Stock subject to this Agreement and instead document the Participant's interest in the shares of Restricted Stock by registering the shares of Restricted Stock with the Company's transfer agent (or another custodian selected by the Company) in book-entry form in the Participant's name with the applicable restrictions noted in the book entry system, in which case no certificate representing all or any part of the shares of Restricted Stock will be issued unless, until and as any of those shares have vested, and the Company may cancel those book entry shares if and to the extent that the shares of Restricted Stock are forfeited or otherwise required to be transferred back to the Company. In any case, the Company may provide a reasonable delay in the issuance or delivery of shares of Vested Stock to address withholding taxes and other administrative matters.

(b) Shareholder Rights. The Participant shall have all rights of a stockholder with respect to the shares of Restricted Stock granted to the Participant under this Agreement, including the right to vote the shares and receive all dividends and other distributions paid or made with respect thereto; provided that, with respect to shares of Restricted Stock (i.e., shares that have not become Vested Stock), (x) any regular cash dividends paid with respect to a share of Restricted Stock (the "*associated share*") will be withheld by the Company and will be paid to the Participant, without interest, within thirty (30) days after the associated share vests and will be forfeited if and when the associated share is forfeited, (y) any property (other than cash) distributed with respect to an associated share (including without limitation a distribution of shares by reason of a stock dividend, stock split or otherwise or a distribution of other securities with respect to an associated share) will be subject to the restrictions of this Agreement in the same manner and for so long as the associated share remains subject to those restrictions and will be forfeited if and when the associated share is forfeited or will vest if and when the associated share vests, and (z) shares of Restricted Stock may not be sold, transferred by gift, pledged, hypothecated, or otherwise transferred or disposed of by the Participant prior to the date when the shares become Vested Stock, and any attempt to transfer shares of Restricted Stock in violation of this Section 3(b) will be null and void and will be disregarded.

(c) Withholding Requirements. The Company shall have the power and the right to deduct or withhold automatically from any shares deliverable under this Agreement, or to require the Participant or the Participant's representative to remit to the Company, the minimum statutory amount necessary to satisfy federal, state and local taxes, domestic or foreign, required by law or regulation to be withheld with respect to any taxable event arising as a result of this Agreement, or in the sole discretion of the Committee, such greater amount necessary to satisfy the Participant's expected tax liability, provided that, the withholding of such greater amount does not result in adverse tax or accounting consequences to the Company.

4. Adjustment to Restricted Stock. In the event of any change with respect to the outstanding shares of Common Stock contemplated by Section 4.5 of the Plan, the Restricted Stock may be adjusted in accordance with Section 4.5 of the Plan.

5. Miscellaneous Provisions.

(a) Securities Laws Requirements. No shares will be issued or transferred pursuant to this Agreement unless and until all then applicable requirements imposed by federal and state securities and other laws, rules and regulations and by any regulatory agencies having jurisdiction, and by any exchanges upon which the shares may be listed, have been fully met. As a condition precedent to the issuance of shares pursuant to this Agreement, the Company may require the Participant to take any reasonable action to meet those requirements. The Committee may impose such conditions on any shares issuable pursuant to this Agreement as it may deem advisable, including, without limitation, restrictions under the Securities Act, as amended, under the requirements of any exchange upon which shares of the same class are then listed and under any blue sky or other securities laws applicable to those shares.

(b) Section 83(b) Election. The Participant may file an election pursuant to Section 83(b) of the Code with respect to the Restricted Stock. The Participant may file, within thirty (30) days following the Date of Grant, a copy of such election with the Company and with the Internal Revenue Service, in accordance with the regulations under Section 83 of the Code. The Participant acknowledges that it is his or her sole responsibility, and not the Company's, to file a timely election under Section 83(b) of the Code. If the Participant files such election with the Internal Revenue Service, it shall promptly deliver a copy of such election to the Company.

(c) Lock-Up Agreement. The Participant hereby agrees, at the request of the Company, to execute and deliver a lock-up agreement to the underwriter(s) of a public offering of the Company's Common Stock; provided that the length of such lock-up agreement shall be no longer than the lock-up period for the Company and other holders of Common Stock delivering lock-up agreements in connection with such offering; and provided, further, that the terms of such lock-up agreement will be substantially similar to the terms of the lock-up agreements delivered by the other holders of Common Stock delivering lock-up agreements in connection with such offering.

(d) Transfer Restrictions. The shares delivered hereunder will be subject to such stop transfer orders and other restrictions as the Committee may deem advisable under the Plan or the rules, regulations and other requirements of the Securities and Exchange Commission, any stock exchange upon which such shares are listed, any applicable federal or state laws and any agreement with, or policy of, the Company or the Committee to which the Participant is a party or subject, and the Committee may cause orders or designations to be placed upon the books and records of the Company's transfer agent to make appropriate reference to such restrictions.

(e) No Right to Continued Service. Nothing in this Agreement or the Plan confers upon the Participant any right to continue in Service for any period of specific duration or interfere with or otherwise restrict in any way the rights of the Company (or any Subsidiary retaining the Participant) or of the Participant, which rights are hereby expressly reserved by each, to terminate his or her Service at any time and for any reason, with or without cause.

(f) Notification. Any notification required by the terms of this Agreement will be given by the Participant (i) in writing addressed to the Company at its principal executive office and will be deemed effective upon actual receipt when delivered by personal delivery or by registered or certified mail, with postage and fees prepaid, or (ii) by electronic transmission to the Company's e-mail address of the Company's General Counsel and will be deemed effective upon actual receipt. Any notification required by the terms of this Agreement will be given by the Company (x) in writing addressed to the address that the Participant most recently provided to the Company and will be deemed effective upon personal delivery or within three (3) days of deposit with the United States Postal Service, by registered or certified mail, with postage and fees prepaid, or (y) by facsimile or electronic transmission to the Participant's primary work fax number or e-mail address (as applicable) and will be deemed effective upon confirmation of receipt by the sender of such transmission.

(g) Waiver. No waiver of any breach or condition of this Agreement will be deemed to be a waiver of any other or subsequent breach or condition whether of like or different nature.

(h) Successors and Assigns. The provisions of this Agreement will inure to the benefit of, and be binding upon, the Company and its successors and assigns and upon the Participant, the Participant's executor, personal representative(s), distributees, administrator, permitted transferees, permitted assignees, beneficiaries, and legatee(s), as applicable, whether or not any such person will have become a party to this Agreement and have agreed in writing to be joined herein and be bound by the terms hereof.

(i) Severability. The provisions of this Agreement are severable, and if any one or more provisions are determined to be illegal or otherwise unenforceable, in whole or in part, then the remaining provisions will nevertheless be binding and enforceable.

(j) Amendment. Except as otherwise provided in the Plan, this Agreement will not be amended unless the amendment is agreed to in writing by both the Participant and the Company.

(k) Choice of Law; Arbitration; Jurisdiction. Any dispute or controversy arising under or in connection with this Agreement shall be settled exclusively by arbitration, conducted before a single arbitrator in Houston, Texas in accordance with the Employment Arbitration Rules and Mediation Procedures of the American Arbitration Association then in effect. The decision of the arbitrator will be final and binding upon the parties hereto. The arbitration proceeding shall be confidential, except that judgment may be entered on the arbitrator's award in any court having jurisdiction. All claims, causes of action or proceedings that may be based upon, arise out of or relate to this Agreement will be governed by the internal laws of the State of Delaware, excluding any conflicts or choice-of-law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of another jurisdiction.

PARTICIPANT ACKNOWLEDGES THAT, BY SIGNING THIS AGREEMENT, PARTICIPANT IS WAIVING ANY RIGHT THAT PARTICIPANT MAY HAVE TO A JURY TRIAL RELATED TO THIS AGREEMENT.

(l) Signature in Counterparts. This Agreement may be signed in counterparts, manually or electronically, each of which will be an original, with the same effect as if the signatures to each were upon the same instrument.

(m) Electronic Delivery. The Company may, in its sole discretion, decide to deliver any documents related to any Awards granted under the Plan by electronic means or to request the Participant's consent to participate in the Plan by electronic means. The Participant hereby consents to receive such documents by electronic delivery and to agree to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company. Such on-line or electronic system shall satisfy notification requirements discussed in Section 5(f).

(n) Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understands the terms and provisions of the Plan and this Agreement, and accepts the Restricted Stock subject to all of the terms and conditions of the Plan and this Agreement. In the event of a conflict between any term or provision contained in this Agreement and a term or provision of the Plan, the applicable term and provision of the Plan will govern and prevail.

[Signature page follows.]

IN WITNESS WHEREOF, the Company and the Participant have executed this Restricted Stock Award Agreement as of the dates set forth below.

PARTICIPANT	**NEXTDECADE CORPORATION**
______________________________	By: ______________________________
Date:______________________________	Date: ______________________________

Exhibit 31.1

CERTIFICATION BY CHIEF EXECUTIVE OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Matthew K. Schatzman, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NextDecade Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2019

/s/ Matthew K. Schatzman
Matthew K. Schatzman
Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION BY CHIEF FINANCIAL OFFICER
PURSUANT TO RULE 13a-14(a) AND 15d-14(a) UNDER THE EXCHANGE ACT

I, Benjamin A. Atkins, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of NextDecade Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation;

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 5, 2019

/s/ Benjamin A. Atkins
Benjamin A. Atkins
Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew K. Schatzman, Chief Executive Officer and Chairman of NextDecade Corporation (the “Company”), hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2019 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 5, 2019

/s/ Matthew K. Schatzman
Matthew K. Schatzman
Chief Executive Officer and Chairman
(Principal Executive Officer)

Exhibit 32.2

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Benjamin A. Atkins, Chief Financial Officer of NextDecade Corporation (the “Company”), hereby certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to §906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

(1) The Quarterly Report on Form 10-Q of the Company for the fiscal quarter ended September 30, 2019 (the “Report”) fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

November 5, 2019

/s/ Benjamin A. Atkins
Benjamin A. Atkins
Chief Financial Officer
(Principal Financial Officer)