MATH-RECONCILIATION-vs-DECK-WEBSITE

Innov8 Cashflow Model (Jack Whitmore, 21 May 2026) — Reconciliation vs Deck v3 & Website v1

Source workbook (CANONICAL): `~/Downloads/84 Mo. Innov8 Gases Cash Flow 100 wells $555 million Investment 21May 2026.xlsx` (received from Jack 2026-05-21, extracted 2026-05-22)

Extracted to: `proposals/innov8-resources/financials/2026-05-22/` (19 CSVs) **Preparer (per TOC):** Galileo Capital Advisors SA **Supersedes:** `proposals/innov8-resources/financials/2026-05-20/` (May 20 model carried He=$325 / H2=$7,586.25 — both now updated)

Compared against: - Deck — `proposals/innov8-resources/innov8-deck-v3.html` - Website — `proposals/innov8-resources/innov8-index-v2.html` (was innov8-website-v1.html) - Dataroom — `proposals/innov8-resources/innov8-dataroom-v1.html` - v7.3 Architecture — `innov8-resources-structure-summary-v7.3.md`

Headline finding

The May 20 pricing discrepancy is RESOLVED. Jack raised the model assumptions to match the deck's published numbers — He from $325→$400/Mcf and H2 from $7,586→$12,000/MT. Model, deck, and website are now internally consistent on pricing.

New finding: The IRR table in the deck (line 1627) is **stale low** relative to Jack's actual model output. Deck Base case shows IRR 26-32% / MOIC 3.5-4.0x; Jack's model produces **LP IRR 37.75% / MOIC 3.60x** at the same pricing. MOIC is in-range; IRR row needs to lift to **~35-40%** to reflect actual model output.

The capital stack title remains stale ($555M) versus actual Sources total ($455M = $300M Equity + $155M Debt). Cosmetic only.

A. Capital stack reconciliation

Source	Capital figure	Notes
Jack's spreadsheet — **title**	$555M total capitalization	**STALE.** Filename + title carry old number from earlier model rev.
Jack's spreadsheet — **Sources of Funds**	$300M Equity + $155M Debt = **$455M**	$155M Debt = $125M Sukuk (Month 3, 9%) + $30M Senior (Month 8, 12%). Matches v7.3 Program 2 stack LOW END exactly.
v7.3 Architecture (Program 2 only)	$455M – $655M	$125M Sukuk + $300–400M Equity + $30–130M Debt
v7.3 Architecture (aggregate, both Programs)	$705M – $905M	$250M Program 1 senior + $455–655M Program 2 stack
Website v1 (line 676)	**$705–905M aggregate**	✅ Matches v7.3
Deck v3 (slide 786, 838, 1201, 1599, 1718)	**$800M Total Capital (115 wells)**	✅ Within the $705–905M v7.3 range. Includes Program 1 ($250M) + Program 2 + reinvestment to 115 wells.

Action: Jack's spreadsheet title says "$555M" but actual SOURCES total is $455M. Either ask Jack to update file title or accept it as legacy. The actual data is coherent — only the label is wrong.

B. Pricing assumptions — NOW ALIGNED ✅

Item	Canonical model (May 22)	Deck v3	Website v1	Status
Helium price	**$400/Mcf** (B6)	$400/Mcf "conservative" base · $550 market-spot upside	$400/Mcf base · $550 market-spot reference	✅ ALIGNED
Hydrogen price	**$12,000/MT** (Hydrogen_Calculations row 12)	$12,000/MT (1057, 1630)	(not stated explicitly)	✅ ALIGNED (was misaligned May 20 at $7,586)

Item	Canonical model (May 22)	Deck v3	Website v1	Status
Other-gas monthly net revenue/well	$429,645.30 (B8, $CO_2/O_2/Ne/Ln_2/Ar/C_4/C_2H_6$)	derived in $16.1M/yr gross	(not stated)	✅ Match
Helium %	6.12% (B5)	~6% / 6.16% (822, 962)	(not stated)	✅ Match within rounding
Well output (base)	1,250 Mcf/da	1,250 Mcf/day (1626)	(not stated as Mcf/da)	✅ Match (Engineer's report: 2,000-4,000 Mcf/da avg as reference upside)
Per-well AFE	$2,473,937 (multi-well savings)	~$2.5M/well drilling (1300)	(not stated per-well)	✅ Match

Hydrogen — production economics (from Hydrogen_Calculations.csv)

Line	Value
Hydrogen price/MT	$12,000
Cost per MT (operating + amortization, per Verdicel)	-$400
Gross profit/MT	$11,600
Less 24% royalties	-$2,160
Net profit per MT	**$9,440**
Production days/year	347
H_2 output	1.05 MT/day/well
Off-take pricing (long-term contracts available)	$9,000/MT
US Federal Production Tax Credit (green H_2)	$3,000/MT

At 100 wells × 1.05 MT/da × 347 days = 36,435 MT/yr × $9,440/MT net = **$343.95M/yr net hydrogen revenue at plateau**.

C. LP IRR & MOIC — derived from cash flow ⭐ NEW

Computation: Bisection IRR on Net LP Cash Flow series. Contributions from row 180 (LP Contributed Capital Balance, cumulative). Distributions = row 170 (Phase 1, 38.4%) + row 172 (Phase 2, 9.6%) + row 174 (Phase 3, 20%) over 84 months.

LP contribution schedule (per Jack's row 180)

Month	Cumulative LP Capital	Period contribution
M1	$75,000,000	-$75,000,000
M2	$75,000,000	$0
M3	$125,000,000	-$50,000,000
M4	$145,000,000	-$20,000,000
M5	$175,000,000	-$30,000,000
M6	$175,000,000	$0
M7	$200,000,000	-$25,000,000
M8	$220,000,000	-$20,000,000
M9	$240,000,000	-$20,000,000
M10	$260,000,000	-$20,000,000
M11	$280,000,000	-$20,000,000
M12	$300,000,000	-$20,000,000
Total	**$300,000,000**	**-$300,000,000**

Annual LP distributions (sum of rows 170+172+174)

Year	Months	LP distributions	Phase
Y1	M1-M12	$0	(construction, no production)
Y2	M13-M24	$0	(ramp, dividends not yet flowing to investors)

Year	Months	LP distributions	Phase
Y3	M25-M36	~$161.7M	Phase 1 (catch-up to LP, 38.4%)
Y4	M37-M48	~$229.0M	Phase 1 (continuing)
Y5	M49-M60	~$149.1M	Phase 2 begins (catch-up to GP, LP drops to 9.6%)
Y6	M61-M72	~$271.4M	Phase 3 (back-end 20% to LP)
Y7	M73-M84	~$268.8M	Phase 3 (continuing)
Total		**$1,080,046,177**	(matches row 186)

Result

Metric	Value
Total LP capital contributed	$300,000,000
Total LP distributions	$1,080,046,177
LP MOIC (7-year)	**3.60x**
Implied monthly IRR (bisection)	2.7047%
LP Annualized IRR	**37.75%**

Waterfall mechanics (per HSA §6.3, confirmed in model rows 170-175)

Phase	Trigger	LP %	GP %
Phase 1	Until LP receives 8% preferred return	38.4%	9.6%
Phase 2	Until GP catches up to GP share of phase 1	9.6%	38.4%
Phase 3	Back-end / promote	20.0%	28.0%

(Innov8 Gases Corp retains 52% Class A; remaining 48% flows through waterfall to Class B investors.)

GP economics (sanity check)

Metric	Value
Total GP distributions (rows 171+173+175)	$1,489,789,851
Innov8 Corp dividends (52% Class A, row 169)	$2,792,298,927
Total dividend payments (row 177)	$5,362,134,954
Check: 5,362.1 = 2,792.3 + 1,080.0 + 1,489.8	✅ Within rounding

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D. Revenue claims — derived check (updated to May 22 model)

Deck/Website claim: ~$16.1M/well/year gross revenue (all gases)

At Jack's UPDATED model assumptions ($400 He, $12,000 H_2), per-well revenue at full plateau (Years 5–7):

Revenue stream	Net annual (100 wells, Y5-Y7 plateau)	Per-well/year
Helium (net of royalties & taxes)	~$731M	~$7.31M
Hydrogen (net of royalties & taxes)	~$344M	~$3.44M
Other gases (CO_2/O_2/Ne/Ln_2/Ar/C_4/C_2H_6 net)	~$258M	~$2.58M
TOTAL (net) per well per year	**~$1,333M / yr**	**~$13.33M**

Grossed up (approx 25% royalty + tax burden → gross ÷ 0.75 ≈ +33%): ~$17.7M/well/year gross.

✅ The deck's **"~$16.1M/yr gross"** figure is slightly conservative versus Jack's new model output (~$17.7M/yr gross). Deck headline remains defensible.

84-month aggregate revenues (model rows)

Stream	84-month total	Notes
Helium Net Revenue (row 24)	~$3.39B	Up from $2.78B at $325/Mcf May 20 model
Hydrogen Net Revenue (row 23)	~$2.01B	Up from $1.73B at $7,586/MT May 20 model
Other-gas Net Revenue (row 22)	~$1.12B	Unchanged
84-month aggregate (net)	**~$6.52B**	Up from $5.63B May 20 model
Cash flow from operations (row 108)	$5,141,343,205	After operating costs
Net Cash Flow for Distributions (row 168)	$5,369,805,629	After debt service
Total Dividend Payments (row 177)	$5,362,134,954	Final cash-to-investor figure

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E. Recommendations

Priority 1 — Update deck IRR table (line 1627)

Current:

```
IRR     ~25%    26–32%    ~40–48%    ~100–120%
MOIC    ~3.0x   ~3.5–4.0x ~5.0–6.0x  ~12–15x
```

Recommended (calibrated to Jack's May 22 model):

```
IRR     ~25%    35–40%    ~45–55%    ~100–120%
MOIC    ~3.0x   ~3.5–4.0x ~5.0–6.0x  ~12–15x
```

Rationale: - LP MOIC at model base = 3.60x → in deck's existing 3.5-4.0x range ✅ no change needed - LP IRR at model base = 37.75% → above deck's existing 26-32% range; lift to 35-40% - Bull case scales proportionally (model upside is 35-40% IRR base → 45-55% with He$550/Mcf indicative offtake) - Hyper-Bull (100-120% IRR) only valid with Galileo's 4× production multiplier — keep as-is, label clearly

Priority 2 — Update facts.yaml

Add/update: - `fact_021` (lp_pref_rate): cite **LP MOIC 3.60x / IRR 37.75%** as Base Case modeled output (May 22) - `fact_031` (helium_spot_price_benchmark): update `model_base_case` value from $325 → **$400/Mcf** - **NEW fact_032** (hydrogen_offtake_economics): $12,000/MT price, $400 cost/MT, $9,440 net/MT after royalties, $9,000 long-term contract benchmark, $3,000 federal tax credit - Add `superseded_by: 2026-05-22` entry on any prior fact citing $325 He or $7,586 H2

Priority 3 — Update investor page (innov8-index-v2.html)

- Update IRR/MOIC figures to match deck (35-40% / 3.5-4.0x Base)
- Update 84-month aggregate net revenue: $5.63B → **$6.52B**
- Confirm pricing assumptions section reflects He=$400 / H2=$12,000

Priority 4 — Update dataroom (innov8-dataroom-v1.html)

- Add May 22 financial CSVs to dataroom index
- Mark May 20 financials as superseded (preserve for audit trail)
- Add link to this reconciliation document
- Confirm document set version stamp (v7.3.1 or v7.3.2 if material change to financial section)

Priority 5 — Resolve spreadsheet title drift (cosmetic)

Ask Jack to rename: `84 Mo. Innov8 Gases Cash Flow 100 wells $455 million Investment <date>.xlsx` to match actual SOURCES total. Low priority — internal data is coherent.

F. Sheet manifest (19 CSVs)

#	Sheet	CSV
1	Table of Contents	`Table_of_Contents.csv`
2	Budget First 84 months	`Budget_First_84_months.csv` (**master**)
3	Sukuk Invest. & Secured Notes	`Sukuk_Invest._Secured_Notes.csv`
4	Debt Service Coverage Ratio	`Debt_Service_Coverage_Ratio.csv`
5	Asset List & Value	`Asset_List_Value.csv`

#	Sheet	CSV
6	Processing Equipment	`Processing_Equipment.csv`
7	Equipment Diagram & Monitoring	`Equipment_Diagram_Monitoring.csv` (empty — diagram is image-only)
8	Hydrogen Calculations	`Hydrogen_Calculations.csv`
9	Gases Calculation	`Gases_Calculation.csv`
10	JV1A Recomplete Wells 1-2 (50% WI)	`JV1A_Recomplete_Wells_1-2_50WI.csv`
11	JV 1A Wells 3-5 (50% WI)	`JV_1A_Wells_3-5_50WI.csv`
12	JV 1B Wells (95% WI)	`JV_1B_Wells_95WI.csv`
13	JV2 High Creek Wells (50% WI)	`JV2_High_Creeek_Wells_50WI.csv`
14	JV3 High Creek Wells (100% WI)	`JV3_High_Creek_Wells_100WI.csv`
15	1-Well Est. w/ Decline Rates	`1-Well_Est._w_Decline_Rates.csv`
16	AFE for Wells	`AFE_for_Wells.csv`
17	Overhead Exp.	`Overahead_Exp..csv`
18	Field Operations	`Field_Operations.csv`
19	DOE Loan	`DOE_Loan.csv`

Naming nit: May 22 export uses `50WI` (no underscore between 50 and WI); May 20 used `50_WI`. Cosmetic — not corrected.

G. Comparison vs May 20 model

Item	May 20 model	May 22 model	Δ
Helium price	$325/Mcf	$400/Mcf	+$75 (+23%)
Hydrogen price	$7,586.25/MT	$12,000/MT	+$4,414 (+58%)

Item	May 20 model	May 22 model	Δ
84-mo He net revenue	$2.78B	~$3.39B	+$610M
84-mo H_2 net revenue	$1.73B	~$2.01B	+$280M
84-mo other-gas net	$1.12B	~$1.12B	0
84-mo aggregate net	**$5.63B**	**~$6.52B**	**+$890M**
LP MOIC	(unknown — not computed)	3.60x	—
LP Annualized IRR	(unknown — not computed)	37.75%	—
Deck alignment	⚠️ misaligned	✅ aligned	resolved

H. Open items for next pass

1. Cross-check deck slide 1669-1670 "$340M LP → $630M / $290M net interest" against the LP IRR computation (37.75% / 3.60x). The Program 1 senior table on the deck appears to describe a different tranche — confirm whether the $340M figure is Program 1 only or aggregate.
2. Confirm $7.8M/well refinery cost (deck slide 1301) vs $155M plant debt distribution. If amortized across 100 wells = $1.55M/well in plant cost; the $7.8M figure may include working capital, separation lines, and field-shared infrastructure — needs Jack's breakdown.
3. Verify GP MOIC computation — total GP distributions $1.49B, but base sponsor commitment (the four Sponsor GPs combined) needs explicit confirmation from Jack to compute GP returns precisely.
4. Confirm whether deck IRR table is for LP only, or blended LP+GP. If blended, the 37.75% LP figure understates the deck's appropriate Base case (the blended figure would be higher).