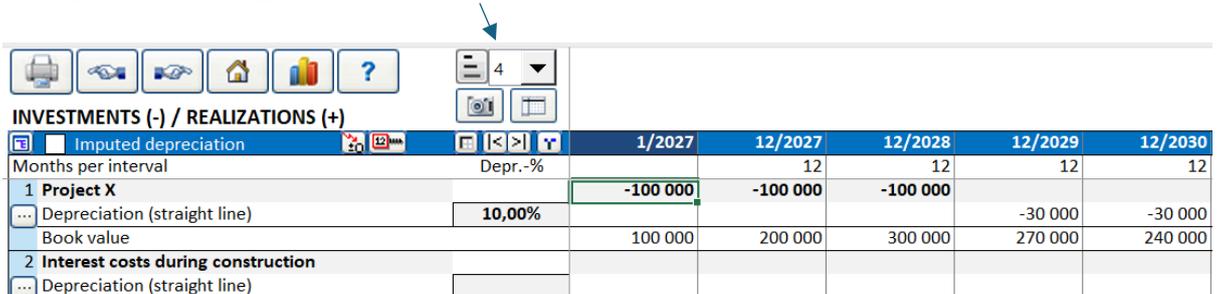


Instructions on how to implement capitalization and activation of construction period financing costs in Invest for Excel Enterprise

1. Investments

- A) Name one row for the construction period financing.
- B) Define same depreciation method as for the main investment.
- C) Do NOT enter any interest costs. They will be calculated and updated automatically.
- D) Change row outlining level from 3 to 4

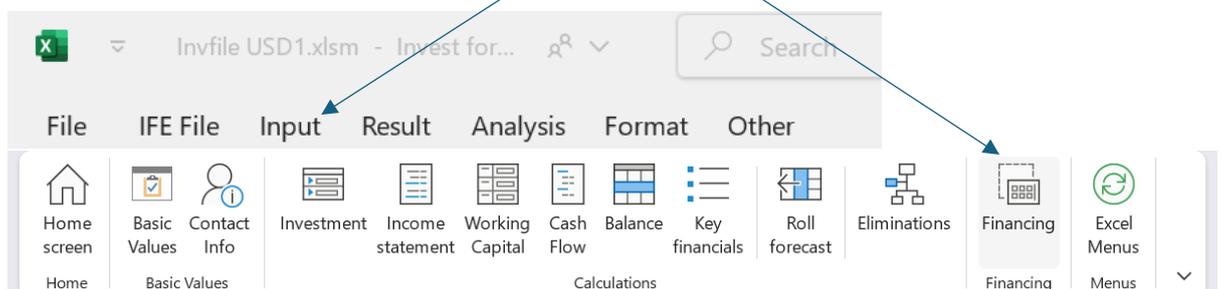


INVESTMENTS (-) / REALIZATIONS (+)		1/2027	12/2027	12/2028	12/2029	12/2030
Imputed depreciation	Depr.-%		12	12	12	12
Months per interval						
1 Project X		-100 000	-100 000	-100 000		
... Depreciation (straight line)	10,00%				-30 000	-30 000
Book value		100 000	200 000	300 000	270 000	240 000
2 Interest costs during construction						
... Depreciation (straight line)						

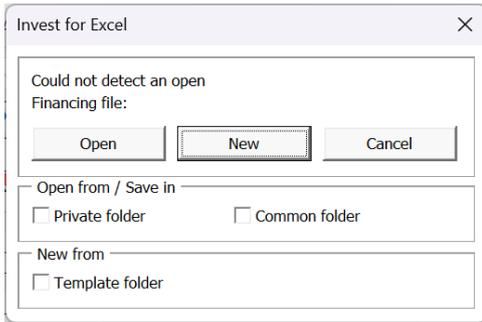
2. Financing module

Create a new financing file

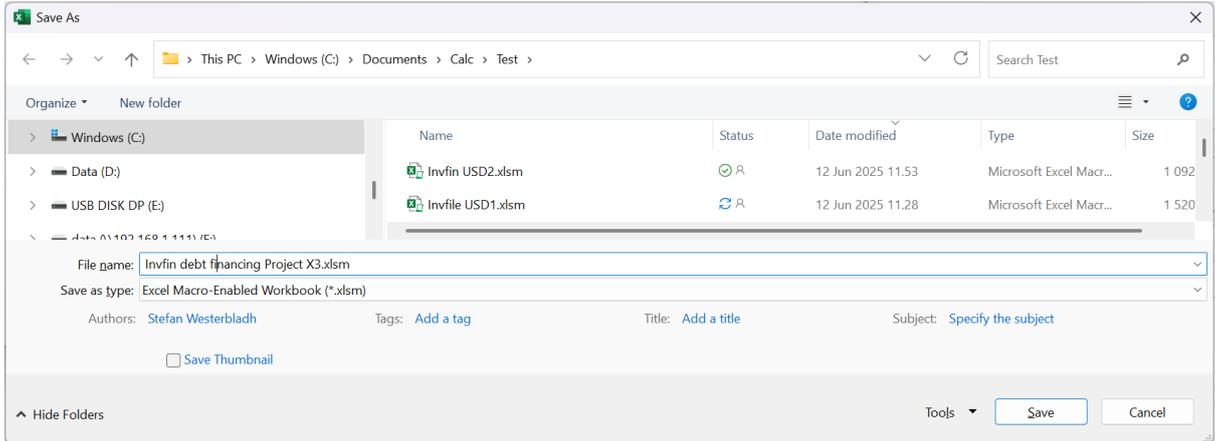
- A) From the Invest for Excel top menu select Input-Financing:



- B) Select to create a NEW financing file:

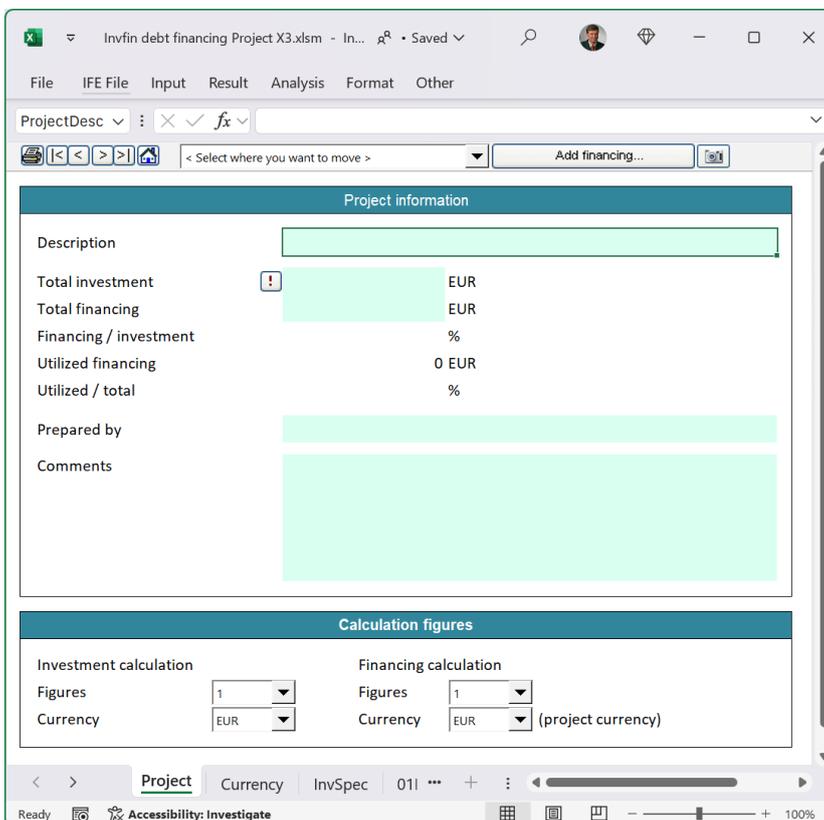


C) Name and save the Financing file



Import cash flows from calculation file to financing file

- A) It is **IMPORTANT** to start by defining currency and figures in the lower part of the Project sheet



Calculation figures			
Investment calculation		Financing calculation	
Figures	1000	Figures	1000
Currency	USD	Currency	USD (project currency)

Example above, changed from 1 EUR to 1000 USD for both files.

B) Press the button with the red exclamation mark

Project information	
Description	
Total investment	! TUSD
Total financing	TUSD

C) A dialog box opens

Update Investment

Update from calculation file:

Invfile	Project X
Invfile USD1.xlsm	

Update total investment (Project)

	Amount	Units	Currency
Total investment in calculation file:	300 000	1000	USD
Exchange rate:	1,000000		
Total investment in financing file:	300 000	1000	USD

Update investment cash flows (InvSpec)

OK Cancel

Open calculation files are listed. Select the correct one, in case you have several files open. Check that Units and Currency is as planned. Press OK.

D) The cash flows are imported to Invspec sheet in Financing file:

Figures: USD		Investment					
(All transactions at end of month)		Cash flow from operations		Investments and realizations		Free cash flow	
Month	Totals:	Per period	Cumulative	Per period	Cumulative	Per period	Cumulative
	12/2026	649 960,84	649 960,84	-300 000,00	-300 000,00	349 960,84	349 960,84
1	1/2027			-100 000,00	-100 000,00	-100 000,00	-100 000,00
2	2/2027				-100 000,00		-100 000,00
3	3/2027				-100 000,00		-100 000,00
4	4/2027				-100 000,00		-100 000,00
5	5/2027				-100 000,00		-100 000,00
6	6/2027				-100 000,00		-100 000,00
7	7/2027				-100 000,00		-100 000,00
8	8/2027				-100 000,00		-100 000,00
9	9/2027				-100 000,00		-100 000,00
10	10/2027				-100 000,00		-100 000,00
11	11/2027				-100 000,00		-100 000,00
12	12/2027			-100 000,00	-200 000,00	-100 000,00	-200 000,00
13	1/2028				-200 000,00		-200 000,00
14	2/2028				-200 000,00		-200 000,00
15	3/2028				-200 000,00		-200 000,00
16	4/2028				-200 000,00		-200 000,00
17	5/2028				-200 000,00		-200 000,00
18	6/2028				-200 000,00		-200 000,00
19	7/2028				-200 000,00		-200 000,00
20	8/2028				-200 000,00		-200 000,00
21	9/2028				-200 000,00		-200 000,00
22	10/2028				-200 000,00		-200 000,00
23	11/2028				-200 000,00		-200 000,00
24	12/2028			-100 000,00	-300 000,00	-100 000,00	-300 000,00
25	1/2029				-300 000,00		-300 000,00

Picture above: In the financing file, the periodization is always monthly. Also notice that the time axle is as rows, not columns.

Define the loan parameters and enter the loan withdrawals

- A) Select the 01Param sheet
- B) Enter the loan parameters

The screenshot shows an Excel spreadsheet with a 'Commercial Loan' configuration form. The form is titled 'Commercial Loan' and includes a 'Remove this financing' button. The form is divided into several sections:

- Project:** Project X
- Financing description:** (Empty text box)
- Total amount:** 300 000 TUSD, Currency: USD, with an 'Enter withdrawals ->' button.
- % of total financing:** %
- Financial closing:** Month: 12, Year: 2026, 12/2026
- Drawdown period:** Months: 24, 12/2026 - 12/2028 (2 years)
- Repayment period:** Years: 10, + months: 0, Starts at: C: The end of drawdown period, 1/2029 - 12/2038 (10 years)
- Financing type:** A: Equal amortizations, Balloon payment, with an 'Enter balloon ->' button.
- Amortization interval:** Months: 12, with an 'Enter principal payments ->' button.
- Interest based on:** (Empty text box)
- Drawdown period interest:** B: Paid from first draw according to interest payment interval, Capitalized on financing and paid according to repayment plan
- Interest:**
 - Interest rate (p.a.): 13,00000%, Fixed/floating: Fixed, with an 'Enter interest rate changes ->' button.
 - Interest margin (p.a.): %
 - Total rate (p.a.): 13,00000%
 - Yield (p.a.): 13,00000%
 - Interest payment interval: 12 months, Interest year: 360 days
 - (Repayment period)

The spreadsheet interface shows the '01Param' sheet is active, and the status bar indicates 'Ready' and 'Accessibility: Investigate'.

In the example above: Loan amount 300 000 TUSD. Financial closing one-month prior to 1st capex payment. The drawdown period is the same as the construction period (24 months in this example). Repayment period of loan is 10 years. Annual equal amortizations. Drawdown period interest is capitalized on financing and paid according to loan repayment plan. 13% interest rate.

C) Enter withdrawals

- Press **Enter withdrawals ->** button or simply select 01Spec-sheet

This screenshot shows the same 'Commercial Loan' configuration form as above, but with a blue arrow pointing from the 'Enter withdrawals ->' button in the previous screenshot to the 'Enter withdrawals ->' button in this screenshot. The form is identical to the previous one, showing the 'Commercial Loan' configuration for Project X.

- b. Enter withdrawals in the green columns, in currency to the left, or percentage to the right.

Figures:		TUSD	Investment	Total amount:	300 000			Interest (fixed)
(All transactions at end of month)		Free cash flow	Withdrawals			Capitalized interest/fees	Principal payment	Ending balance
Per period			TUSD	% of total				Rate
Month	Totals:							
	12/2026	349 960,84	300 000,00	100,00	42 997,50	342 997,50		
1	1/2027	-100 000,00	100 000,00	33,33			100 000,00	13,00000
2	2/2027						100 000,00	13,00000
3	3/2027						100 000,00	13,00000
4	4/2027						100 000,00	13,00000
5	5/2027						100 000,00	13,00000
6	6/2027						100 000,00	13,00000
7	7/2027						100 000,00	13,00000
8	8/2027						100 000,00	13,00000
9	9/2027						100 000,00	13,00000
10	10/2027						100 000,00	13,00000
11	11/2027		100 000,00	33,33			200 000,00	13,00000
12	12/2027	-100 000,00			14 083,33		214 083,33	13,00000
13	1/2028						214 083,33	13,00000
14	2/2028						214 083,33	13,00000
15	3/2028						214 083,33	13,00000
16	4/2028						214 083,33	13,00000
17	5/2028						214 083,33	13,00000
18	6/2028						214 083,33	13,00000
19	7/2028						214 083,33	13,00000
20	8/2028						214 083,33	13,00000
21	9/2028						214 083,33	13,00000
22	10/2028						214 083,33	13,00000
23	11/2028		100 000,00	33,33			314 083,33	13,00000
24	12/2028	-100 000,00			28 914,17		342 997,50	13,00000
25	1/2029						342 997,50	13,00000
26	2/2029						342 997,50	13,00000
27	3/2029						342 997,50	13,00000

- c. Save the file!

3. Update your investment calculation file with financing

- A) Switch back to your investment calculation file. The easy way to do it, is to select Input-Cash flow, from the top menu.
- B) Locate the red exclamation button to press. You can find it in two places:
- In Income Statement below EBIT:

EBIT; Operating income	
EBIT, %	
Financing income and expenses	
☰	Financing income and expenses
!	Financing income and expenses Financing file
EBT; Income after financing items	

- In the lower part of Cash flow statement:

Free cash flow (FCF)
Discounted free cash flow (DFCF)
Cumulative discounted free cash flow
Information
Financial cash flow
Financial income and expenses
Correction of income tax for financial items
Long-term debt, increase (+) / decrease (-)
Changes in interest-bearing long-term debt
Long-term debt, increase (+) / decrease (-)
Changes in long-term debt, Financing file
Changes in interest-free long-term debt
Changes in short-term borrowings
Equity, increase (+) / decrease (-)
Total cash flow
Cumulative total cash flow

Picture above: You need to open the sub-rows of Long-term debt, increase(+)/decrease(-).

C) When you press the button this dialog box opens:

Update Financing

Update from financing file:

Invfin debt financing Project X3.xlsm	Project X
---------------------------------------	-----------

Currency translation | Capitalize

Calculation file: Units: 1000 Currency: USD

Exchange rate: 1,000000

Financing file: Units: 1000 Currency: USD

Include transactions prior to calculation term in opening balance

Add to previously updated values

Clear

OK Cancel

Hint: The Financing file should be open.

- D) Select the Capitalize tab in the middle of the dialog box.
- Tick the “Capitalize financing costs before an including period (next page)
 - Make sure that the last construction period is marked blue (next page)
 - Choose which row to include the activated construction period financing costs:

Update Financing

Update from financing file:

Invfin debt financing Project X3.xlsm	Project X
---------------------------------------	-----------

Currency translation | Capitalize

Capitalize financing costs before and including period:

3/2028	on asset:
4/2028	1 Project X
5/2028	2 Interest costs during construction
6/2028	3
7/2028	4
8/2028	5
9/2028	6
10/2028	7
11/2028	8
12/2028	9

Clear

OK Cancel

E) Press OK

4. What you get

In the lower part of Cash flow statement:

Free cash flow (FCF)	-100 000	-100 000	-100 000	65 200	69 072	73 183	77 547
Discounted free cash flow (DFCF)	-100 000	-88 496	-78 315	45 187	42 363	39 721	37 247
Cumulative discounted free cash flow	-100 000	-188 496	-266 810	-221 623	-179 260	-139 540	-102 292
Information							
Financial cash flow							
Financial income and expenses	0	0	0	-44 590	-40 131	-35 672	-31 213
Correction of income tax for financial items	0	0	0	8 800	8 026	7 134	6 243
Long-term debt, increase (+) / decrease (-)	100 000	100 000	100 000	-34 300	-34 300	-34 300	-34 300
Changes in interest-bearing long-term debt	100 000	100 000	100 000	-34 300	-34 300	-34 300	-34 300
Long-term debt, increase (+) / decrease (-)							
Changes in long-term debt, Financing file	100 000	100 000	100 000	-34 300	-34 300	-34 300	-34 300
Changes in interest-free long-term debt							
Changes in short-term borrowings							
Equity, increase (+) / decrease (-)	0	0	0	0	0	0	0
Total cash flow	0	0	0	-4 889	2 668	10 346	18 277
Cumulative total cash flow	0	0	0	-4 889	-2 222	8 124	26 400

- Paid financial costs from start of operations, but no payments during construction period.
- The tax effect of debt showing up here below, but not included in FCF
- Loan withdrawals and repayments
- Not enough financing in the example above (-4889).

In the balance sheet:

Liabilities				
T Long-term liabilities	100 000	214 083	308 698	274 398
Interest-bearing long-term debt	100 000	214 083	308 698	274 398
Interest-free long-term debt	0	0	0	0
Deferred tax liabilities	0	0	0	0
T Short-term liabilities	0	0	34 300	34 300
Interest-bearing short-term liabilities	0	0	34 300	34 300
Short-term borrowings	0	0	0	0
Current portion of long-term loans	0	0	34 300	34 300
Interest-free short-term liabilities	0	0	0	0
Accounts payable	0	0	0	0
Other interest-free short-term debt	0	0	0	0
Accrued investment expenditure	0	0	0	0
Calculated tax debt	0	0	0	0
Total liabilities	100 000	214 083	342 998	308 698
SHAREHOLDERS' EQUITY AND LIABILITIES	100 000	214 083	342 998	308 108

Interest-bearing long-term debt and Current portion of long-term loans

In the Investments table:

INVESTMENTS (-) / REALIZATIONS (+)						
Imputed depreciation		1/2027	12/2027	12/2028	12/2029	12/2030
Months per interval	Depr.-%		12	12	12	12
1 Project X						
Depreciation (straight line)	10,00%	-100 000	-100 000	-100 000	-30 000	-30 000
Book value		100 000	200 000	300 000	270 000	240 000
2 Interest costs during construction						
Depreciation (straight line)	10,00%				-4 300	-4 300
Book value		0	14 083	42 998	38 698	34 398
Investments		-100 000	-100 000	-100 000	0	0
Realizations		0	0	0	0	0
Depreciation		0	0	0	-34 300	-34 300
Realization profit (+) / loss (-)		0	0	0	0	0
Book value		100 000	214 083	342 998	308 698	274 398

The construction period financing costs show up in the book value, and depreciated in the same manner as the main asset.

In the Income statement:

INCOME STATEMENT						
1000 USD		1/2027	12/2027	12/2028	12/2029	12/2030
Months per interval			12	12	12	12
EBITDA; Operating income before depreciation						
EBITDA, %					61,7%	62,0%
Depreciation		0	0	0	-34 300	-34 300
EBIT; Operating income		0	0	0	39 700	44 540
EBIT, %					33,1%	35,0%
Financing income and expenses						
Financing income and expenses		0	0	0	-44 590	-40 131
Financing income and expenses Financing file					-44 590	-40 131
EBT; Income after financing items		0	0	0	-4 889	4 410

Including debt finance in Invest for Excel calculation will NOT impact NPV, IRR, Payback etc.