

This document includes KPI definitions that are being prepared for the Technical Guide in Q1 2021

Quick Reference Guide for the Proposed Final PAYGo PERFORM KPIs

Portfolio Quality Indicator	Definition	Calculation
Collection Rate¹	Ratio of all collected receivables payments over total receivables payments due for a period (does not include deposits).	<i>Cashflow from Follow-On Payments During the Period / Scheduled Follow-on Payments During the Period</i>
Write-off Ratio²	The sum of the remaining payments of receivables streams that have been terminated over the sum of the remaining payments of the receivables streams for the entire portfolio.	<i>Outstanding Receivables for Written-off Contracts During the Period / Average Outstanding Receivables During the Period</i>
Repossession Ratio³	The sum of the remaining payments of receivables streams of repossessed units over the sum of the remaining payments of the receivable streams for the entire portfolio	<i>Outstanding Receivables of Units Repossessed During the Period / Average Outstanding Receivables During the Period</i>
Receivables at Risk (RAR)	Identifies risky proportion of receivables portfolio. Recommended to use jointly, consecutive days unpaid <u>and</u> collection rate below threshold to identify risky portion of receivables portfolio. Key thresholds are > 30 days for consecutive days unpaid and < 50% collection rate since activation, although ranges of thresholds (e.g., CDU of 30, 90, 180 and CR < 70 and 50%) will likely provide valuable insights. Where difficult to use both methods jointly, consecutive days unpaid is recommended.	<ol style="list-style-type: none"> <i>Outstanding Receivables > [X] Consecutive Days Unpaid / Outstanding Receivables</i> <i>Outstanding Receivables with Collection Rate < [X]% / Outstanding Receivables</i>
Contractual Credit Period⁴	Average nominal number of days between system acquisition and expected final payment. Carried over from KPIs 1.0.	<i>Contractual Repayment Term (Days) / Number of Active Units</i>
Effective Credit Period⁵	Effective length of time taken for an average customer to pay off their solar device.	<i>Effective Repayment Term (Days) / Number of Repaid Units</i>
Outstanding Receivables	Value of the company's outstanding receivables streams	<i>Outstanding Receivables</i>
Growth in Outstanding Receivables	Growth in value of the company's outstanding receivables streams	<i>((Outstanding receivables [T]) / (Outstanding receivables [T-1])) -1</i>

¹ The Technical Guide will include further instructions on how to account for preexisting backlog of payments and lump payments, among other considerations. The headline rate will be measured over the course of one year.

² An optional **Adjusted Write-off Ratio 180** will be recommended. It is to include both written-off receivables streams and those which have not had payments for over 180 days. Due to variations in company policy, the Write-off Ratio may not be directly comparable, however, it is recommended that a composite risk ratio, **RAR + Write-off Ratio**, be used for comparison.

³ This was changed from a unit-based to a value-based metric. Companies that wish to do so, may also include a unit-based version.

⁴ Name changed from Average Credit Period

⁵ KPI changed from an approximation to an actual (average days to pay of units that are fully paid off). The approximation (Contractual Credit Period / Headline Collection Rate) will still be accessible as it derived from reported KPIs.

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Unit Economics Indicator	Definition	Calculation
Total Cashflow from PAYGO Customers	The total cashflow received from PAYGo customers – including customer deposits and follow-on payments.	<i>The sum of customer deposits and follow-on payments received from all PAYGo customers over a period of time</i>
Contribution Margin (Cashflow)	The total profit based on variable costs for the PAYGo firm as a proportion of the total cashflow received from customers.	<i>(Total Cashflow from Customers – Variable Costs) / Total Cashflow from Customers</i>
EBT Margin (Cashflow)	The total profit after all costs for the PAYGo firm as a proportion of the total cashflow received from customers.	<i>(Total Cashflow from Customers – Total Costs) / Total Cashflow from Customers</i>
Sales and Maintenance cost (Cashflow)	Sum of all sales and maintenance costs expressed as a proportion of cashflow received from customers	<i>(Sales and Distribution Cost + Servicing and Maintenance Cost + Other Variable Costs) / Cashflow</i>
Cost of Goods Sold ratio (Cashflow)	Total cost of goods sold expressed as a proportion of cashflow received from customers	<i>Cost of goods sold divided by cashflow from customers</i>
Fixed Cost Ratio (Cashflow)	Sum of all fixed costs (Marketing, Sales, etc.) of a PAYGo firm divided by total cashflow received from customers.	<i>(Total Fixed Costs [Marketing, Sales, etc.]) / Total Cashflow from Customers</i>
Provision expense ratio (cashflow)	The cost of credit provisions expressed as a percentage of cashflow	<i>Provision expenses of a PAYGo firm divided by total cashflow received from customers</i>
Financial expense ratio (cashflow)	The cost of financial expenses expressed as a percentage of cashflow	<i>Financial expenses of a PAYGo firm divided by total cashflow received from customer</i>
Fixed Operating Cost ratio (Cashflow)	Other fixed costs expressed as a percentage of cashflow	<i>Other Fixed Costs / Cashflow from Customers</i>
Unit Follow On Payments	Sum of contractual follow-on payments until system is permanently unlocked, net of customer deposits, per unit sold.	<i>Receivables Generated During the Period / Number of Units Sold During the Period</i>
Unit Customer Deposit	Total contractual PAYGO customer deposits per unit sold.	<i>Total contractual PAYGO deposits) / (Total Units Sold</i>
Unit Credit Cost	The contractual follow-on payments that will not be recognized due to write offs on a per unit basis.	<i>Unit Follow On Payments) * (Write-off Ratio</i>
Unit Device Cost	The total Cost of Goods sold during the period per unit sold	<i>Cost of Goods Sold During the Period / Number of Units Sold During the Period</i>
Unit Sales & Distribution Cost	The total cost of installing the device at the customer site, transportation cost (from warehouse to customer) per unit sold.	<i>(Sum of (installation cost, commission for sales agent and transportation cost to the customer site)) / Total Units Sold</i>
Unit Servicing and Maintenance Cost	The total cost of servicing a customer (i.e. collection of payments, customer service) and providing maintenance of installed units.	<i>((Sum of (total servicing costs and maintenance costs) per month) * (Effective Credit Period)) / Total Active Units</i>
Unit Contribution Margin	The average profit based on variable costs on a unit basis for a particular product.	<i>(Sum of (Customer Deposits and Follow On Contractual Payments) – Sum of (Credit Cost, Device Cost, Sales & Distribution Cost, and Servicing & Maintenance Cost)) / (Total Units Sold)</i>
Unit Cash Sales	The total cash received from non PAYGO sales per unit sold	<i>Cashflow from Cash Sales/Units sold for cash</i>
Liquidity <90 days / total cost	The liquidity of a company represented by cash and liquid assets convertible in the next 90 days	<i>Cash and liquid assets convertible to cash in the next 90 days / quarterly total cost</i>

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Company Indicator	Definition	Calculation
Sales Model	Sales model expressed as a percentage (0-100%) of revenue per sales model. The models identified are Cash and PAYGo.	<i>Revenue Generated per Individual Sales Model During the Period / Sales Revenue during the Period</i>
Sales Distribution Model	Sales distribution model expressed as a percentage (0-100%) of revenue per sales distribution model. The sales distribution models identified are (1) B2B, (2) B2C and (3) Other.	<i>Sales Revenue Generated by Individual Distribution Model During the Period/ Sales Revenue During the Period</i>
% Country Sales	Percentage (0-100%) of revenue share per country.	<i>Country Sales Revenue During the Period / Sales Revenue During the Period</i>
Total Net Sales	Net total number of units sold during the period, discounted by returns & repossession.	<i>Total Number of Units Sold During the Period - Returns & Repossessions</i>
Repeat Sales	Value of all items sold to existing or past customers (repeat sales) during the calendar year expressed as a % of total sales value.	<i>Value of all Items Sold to Existing or Past Customers During the Period / Value of all Units Sold During the Period.</i>
Product Sales	Net total number of units during the period per product category (GOGLA standards used, split per WP) as a % of total sales in revenue.	<i>Sales Revenue by Product Category During the Period / Sales Revenue During the Period</i>

Performance Indicator	Definition	Calculation
Average Selling Price	Average price of all systems sold for each of the sales models adopted (PAYGo and Cash sales).	<ol style="list-style-type: none"> <i>For the Cash Model: Sales Revenue by Sales Model During the Period/ Number of Units Sold by Sales Model During the Period</i> <i>For the PAYGo Model: Receivables generated by Sales Model During the Period/ Number of Units Sold by Sales Model During the Period.</i>
Sales per Distribution Channel	Sales per distribution channel represented as a percentage of the total units sold. Agents (%), Wholesalers (%), Shops (%) and/or Other (%).	<i>Sales Revenue by Distribution Channel During the Period / Sales Revenue During the Period</i>
Sales Points Rate	Fraction of sales points that have gone inactive over the previous 90 days, grouped by distribution channel – Agents (%), Wholesalers (%), Shops (%) and/or Other (%).	<i>Sales Points Inactive Over the Previous 90 Days per Individual Distribution Channel / Total Sales Points</i>
Net Promoter Score (NPS)	Measure the loyalty that exists between a provider and a consumer. Typically, the NPS is calculated based on responses to the question ‘how likely is it that you would recommend our product/service to your networks?’ The scoring for this answer is most often based on a 0 to 10 scale.	<i>% of responses which are 9 and 10 - % of responses which are 0-6 responses, resulting in a score between 100 and -100.</i>