

This document includes KPIs 2.0 (beta) definitions and calculations. These could be subject to changes based upon the data collection pilot results.

Quick Reference Guide for the Provisional PAYGo PERFORM Indicators

Portfolio Quality Indicator*	Definition	Calculation
Collection Rate	Ratio of all collected receivables payments over total receivables payments due for a period (does not include deposits).	$(\text{Value of Total Receivables Collected Over Period [X]}) / (\text{Total Customer Payments Due Over Period [X]})$
Write-off Ratio	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.	$(\text{Value of Receivables Payments Outstanding for Contracts Written-off Over Period [X]}) / (\text{Average Value of Total Receivables Outstanding Over Period [X]})$
Repossession Ratio	Ratio of repossessed units over total installed units outstanding.	$(\text{Units Repossessed Over Period [X]}) / (\text{Average Total Installed Units Outstanding Over Period [X]})$
Receivables at Risk (RAR)	Identifies risky proportion of receivables portfolio. Two options are currently being considered by the working group to calculate RAR:	<ol style="list-style-type: none"> $(\text{Remaining Value of Outstanding Receivables Streams Which Have Not Paid Over Period [X]}) / (\text{Value of Total Future Receivables Due})$ $(\text{Remaining Value of Outstanding Receivables Streams for Which Collection Rate is Less than [Y]\% Over Period [X]}) / (\text{Value of Total Future Receivables Due})$
Average Credit Period	Average nominal number of days between system acquisition and expected final payment. Carried over from KPIs 1.0.	$\text{Sum Over Units of } (\text{Expected Final Payment Date} - \text{System Acquisition Date [Days]}) / (\text{Total \# of Active [Units]})$
Effective Credit Period	Effective length of time taken for an average customer to pay off their solar device.	$(\text{Average Credit Period}) / (\text{Collection Rate})$
Receivables Portfolio Size	Value in USD of the company's outstanding receivables streams.	$\text{Receivables Portfolio in USD at Time [X]}$
Receivables Portfolio Growth Rate	Annual growth rate of Receivables Portfolio.	$((\text{Receivables Portfolio Size [T]}) / (\text{Receivables Portfolio Size [T-1]})) - 1$

*The pilot will be used to identify appropriate thresholds and periods of evaluation, to finalize definitions, and may be used to test additional experimental portfolio quality indicators for future adoption.

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Unit Economics Indicator	Definition	Calculation
Total Cashflow from Customers	Refers to the total cashflow received from customers – including customer deposits and follow-on payments.	<i>The sum of customer deposits and follow-on payments received from all customers over a period of time</i>
Total Contribution Margin	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>
Total EBT Margin	The total profit after taking into account all costs (variable and fixed) for the PAYGo firm as a proportion of the total cashflow received from customers.	<i>(Total Cashflow from Customers – Variable Costs – Fixed Costs) / (Total Cashflow from Customers)</i>
Total Overhead Cost as % of Total Cashflow from Customers	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>
Total Receivables Generated	Total Receivables that a PAYGo firm has booked over a specified time period.	<i>Total Receivables for a specified time period</i>
Unit Follow On Payments	Sum of contractual follow on payments until system is permanently unlocked, net of customer deposits, per unit sold. The Unit Economics Working Group is currently considering two options for calculation:	<ol style="list-style-type: none"> <i>1. (Sum of the contractual follow on payments) / (Total Units Sold)</i> <i>2. PAYGo firms can provide the contractual follow on payments and their corresponding discount rate, so that the investor can make the PV calculation, if needed.</i>
Unit Customer Deposit	Total contractual customer deposits per unit sold.	<i>((Total contractual 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 the device inclusive of hardware, transportation (to the warehouse), import taxes & duties, and stock insurance per unit sold.	<i>(Sum of (Cost of hardware, transportation cost (to the warehouse), import taxes and duties, stock insurance)) / (Total Units Sold)</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>

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Company Indicator	Definition	Calculation
Sales Model	Percentage (0-100%) of revenue per sales model - (1) Rental, (2) Perpetual lease, (3) Lease-to-own, (4) Upfront sales with financing partner, and (5) Direct cash sales.	$((\text{Revenue generated per individual sales model}) / (\text{Total Revenue})) * 100\%$
Sales Distribution Model	Percentage (0-100%) of revenue per sales distribution model- (1) B2B (including B2G, sales to UN/NGO and institutional sales, and (2) B2C.	$((\text{Revenue generated per individual sales distribution model}) / (\text{Total Revenue})) * 100\%$
Geographical Area	Percentage (0-100%) of revenue share per country. (NB. Data will be reported upon per geographical area. Worldbank standards used.)	$((\text{Revenue generated per individual geographical area}) / (\text{Total Revenue})) * 100\%$
Total Net Sales	Net total number of units sold during the calendar year, discounted by returns and repossessions.	All sales units sold – returned and repossessed units.
Repeat Sales	Sales to an existing customer (repeat sales) during calendar year expressed as a % of total sales in units.	$((\text{Sales to an existing customer (repeat sales) during calendar year}) / (\text{Total Net Sales})) * 100\%$
Product Sales	Net total number of units sold during calendar year per product category (GOGLA standards used) as a % of total sales in revenue. (NB. Appliances can only be accounted for as revenue when this is bundled with a contract).	$((\text{Revenue per Product Category}) / (\text{Total Revenue})) * 100\%$

Performance Indicator	Definition	Calculation
Average Selling Price	Average price of all systems sold for each of the sales models adopted- (1) Rental, (2) Perpetual lease, (3) Lease-to-own, (4) Upfront sales with financing partner, (5) Direct cash sales.	$(\text{Sum of sales revenue per individual sales model}) / (\text{Number of systems sold per individual sales model})$
Sales per Distribution Channel	Sales per distribution channel represented as a percentage (0-100%) of the total units sold - Agents (%), Wholesalers (%), Shops (%), Financial Institutions (%), E-platforms (%), and/or Governmental projects (%).	$((\text{Number of units sold of individual distribution channel}) / (\text{Total number of units sold})) * 100\%$
Sales Points Rate	Fraction of sales points that have gone inactive over the previous 90 days, grouped by distribution channel – Agents (%), Wholesalers (%), Shops (%), Financial Institutions (%), E-platforms (%), and/or Governmental projects (%).	$((\text{Sales points inactive over the previous 90 days per individual distribution channel}) / (\text{Total Sales Points})) * 100\%$
Net Promoter Score (NPS)	Measure the loyalty that exists between a provider and a consumer. NPS is typically calculated according to responses on 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.	$(\text{Total scores of participated customers}) / (\text{Total participated customers})$