

The methodology for selecting the companies for the True Leaders Event

The awarded companies must simultaneously fulfil the next four criteria:

- Are among the **500 most profitable companies** for 2020;
- Have had an **increase in their personnel** (2020 vs 2019);
- Have **high creditworthiness** (ICAP Credit Score* from A1 to B2) and have **ICAP COVID Company Index**** higher than 70;
- Are **leaders** in their **sector**.

The first step in the selection process is to create a top based on EBITDA, calculated according to December 2020 financial data. State owned companies are excluded from this selection, as well as banks, insurance and non-banking financial institutions.

Out of these 500 companies, the True Leaders awarded companies will be selected.

The industries are formed based on the companies' main activities. The industry is given by the main NACE code declared by the companies, the NACE division or group of activities. The selection between the NACE division (first two digits of the NACE code), group (first 3 digits of the NACE code) or NACE code is made based on the diversity of activities comprised within the same division.

Scored companies:

- Have the legal form of a company (examples: S.A., S.R.L., S.C.S.)
- Companies that do not belong to the following industries: banking, insurance and other related activities, as these companies declare their financial data differently than all other types of corporations
- Are active companies according to the Trade Registry assigned status

* **ICAP Score** expresses an estimation of a company's credit quality with respect to the probability of default and/or bankruptcy within a 12-month horizon. This estimation is based on an analysis of commercial, financial and transactional data derived from official sources of the assessed companies.

** **COVID Company Index** denotes the companies' adjusted creditworthiness assessment over the next 12 months which is triggered as a result of the

Covid-19 pandemic and the effects of the lockdown measures and suspensions imposed on economic activity for each evaluated company. It combines the existing assessments on companies' credit quality, *Score* and the *Covid Sector Index*, an industry sector impact assessment, depicting the severity of impact and its recovery potential.

The assessment results are presented in a 0-100 score scale, where score 0 represents companies that have the highest probability of default, and 100 represents companies with the lowest probability of default.

COVID Sector Index expresses the current assessment on the effects of the lockdown measures and suspensions, imposed on economic activity as a result of the COVID-19 pandemic, per activity sector, taking into account the likelihood of recovery, within a 12-month horizon.