Via BusinessWire Global

Moody's Acquires Majority Stake in Four Twenty Seven, Inc., a Leader in Climate Data and Risk Analysis

NEW YORK (BUSINESS WIRE) —24 July 2019 — Moody's Corporation (NYSE:MCO) announced today that it has acquired a majority stake in Four Twenty Seven, Inc., a leading provider of data, intelligence, and analysis related to physical climate risks. The acquisition solidifies Moody's commitment to promoting transparent and globally consistent standards for evaluating environmental, social, and governance (ESG) risks and opportunities.

Four Twenty Seven will continue to be headquartered in Berkeley, CA, operating under its existing brand, and will be an affiliate of Moody's Investors Service.

The addition of Four Twenty Seven enhances Moody's growing portfolio of risk assessment capabilities and underscores its work to advance global standards for assessing environmental and climate risk factors. Four Twenty Seven will also strengthen Moody's growing thought leadership and research on incorporating climate risk into economic modeling and credit ratings. The deal complements Moody's recent acquisition of Vigeo Eiris, a leading provider of ESG research, data, and assessments.

Four Twenty Seven scores physical risks associated with climate-related factors and other environmental issues, including heat stress, water stress, extreme precipitation, hurricane and typhoons and sea level rise. Its scores and portfolio analytics feature extensive global coverage and quantify climate risk exposures across asset classes, with detailed data covering over 2,000 listed companies, one million global corporate facilities, 320 REITs, 3,000 US counties, and 196 countries. Four Twenty Seven's data and indicators are used by asset owners, asset managers, banks, corporations and government agencies to understand and evaluate the potential climate risk they hold in their portfolios and activities.

"Four Twenty Seven has built a strong platform for quantifying climate-related exposures and producing actionable risk metrics, which are essential to understanding and informing climate risk and resilience measures," said Myriam Durand, Global Head of Assessments at Moody's Investors Service. "Moody's is committed to offering global, transparent standards for assessing environmental risk, and the acquisition of Four Twenty Seven advances our objective of integrating climate analytics into our offerings."

"Moody's global coverage and analytical capabilities, combined with Four Twenty Seven's comprehensive climate risk data and intelligence, provides an ideal path to continue our work helping market participants integrate potential climate impacts into risk management and investment decisions," said Emilie Mazzacurati, Founder and CEO of Four Twenty Seven.

The terms of the transaction were not disclosed, and it will not have a material impact on Moody's 2019 financial results. The transaction was funded with cash on hand.

For more information about Moody's approach to ESG, visit esg.moodys.io.

Activating an environmentally sustainable future is a key focus of Moody's approach to Corporate Social Responsibility. For more information visit moodys.com/csr.

About Moody's Corporation

Moody's is an essential component of the global capital markets, providing credit ratings, research, tools and analysis that contribute to transparent and integrated financial markets. Moody's Corporation (NYSE:MCO) is the parent company of Moody's Investors Service, which provides credit ratings and research covering debt instruments and securities, and Moody's Analytics, which offers leading-edge software, advisory services and research for credit and economic analysis and financial risk management. The corporation, which reported revenue of $4.4 billion in 2018, employs approximately 13,200 people worldwide and maintains a presence in 44 countries. Further information is available at www.moodys.com.

<u>"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995</u>

Certain statements contained in this release are forward-looking statements and are based on future expectations, plans and prospects for the Company's business and operations that involve a number of risks and uncertainties. The forward-looking statements and other information in this release are made as of the date hereof (except where noted otherwise), and the Company undertakes no obligation (nor does it intend) to publicly supplement, update or revise such statements on a going-forward basis, whether as a result of subsequent developments, changed expectations or otherwise. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, the Company is identifying examples of factors, risks and uncertainties that could cause actual results to differ, perhaps materially, from those indicated by these forward-looking statements. Those factors, risks and uncertainties include, but are not limited to, credit market disruptions or economic slowdowns, which could affect the volume of debt and other securities issued in domestic and/or global capital markets; other matters that could affect the volume of debt and other securities issued in domestic and/or global capital markets, including regulation, credit quality concerns, changes in interest rates and other volatility in the financial markets such as that due to the U.K.'s planned withdrawal from the EU; the level of merger and acquisition activity in the U.S. and abroad; the uncertain effectiveness and possible collateral consequences of U.S. and foreign government actions affecting credit markets, international trade and economic policy; concerns in the marketplace affecting our credibility or otherwise affecting market perceptions of the integrity or utility of independent credit agency ratings; the introduction of competing products or technologies by other companies; pricing pressure from competitors and/or customers; the level of success of new product development and global expansion; the impact of regulation as an NRSRO, the potential for new U.S., state and local legislation and regulations, including provisions in the Dodd-Frank Wall Street Reform and Consumer Protection Act ("Dodd-Frank") and regulations resulting from Dodd-Frank; the potential for increased competition and regulation in the EU and other foreign jurisdictions; exposure to litigation related to our rating opinions, as well as any other litigation, government and regulatory proceedings, investigations and inquires to which the Company may be subject from time to time; provisions in the Dodd-Frank Act legislation modifying the pleading standards, and EU regulations modifying the liability standards, applicable to credit rating agencies in a manner adverse to credit rating agencies; provisions of EU regulations imposing additional procedural and substantive requirements on the pricing of services and the expansion of supervisory remit to include non-EU ratings used for regulatory purposes; the possible loss of key employees; failures or malfunctions of our operations and infrastructure; any vulnerabilities to cyber threats or other cybersecurity concerns; the outcome of any review by controlling tax authorities of the Company's global tax planning initiatives; exposure to potential criminal sanctions or civil remedies if the Company fails to comply with foreign and U.S. laws and regulations that are applicable in the jurisdictions in which the Company operates, including data protection and privacy laws, sanctions laws, anti-corruption laws, and local laws prohibiting corrupt payments to government officials; the impact of mergers, acquisitions or other business combinations and the ability of the Company to successfully integrate such acquired businesses; currency and foreign exchange volatility; the level of future cash flows; the levels of capital investments; and a decline in the demand for credit risk management tools by financial institutions. These factors, risks and uncertainties as well as other risks and uncertainties that could cause Moody's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements are described in greater detail under "Risk Factors" in Part I, Item 1A of the Company's annual report on Form 10-K for the year ended December 31, 2018, and in other filings made by the Company from time to time with the SEC or in materials incorporated herein or therein. Stockholders and investors are cautioned that the occurrence of any of these factors, risks and uncertainties may cause the Company's actual results to differ materially from those contemplated, expressed, projected, anticipated or implied in the forward-looking statements, which could have a material and adverse effect on the Company's business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for the Company to predict new factors, nor can the Company assess the potential effect of any new factors on it.

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