

News

FOR MOODY'S:

SALLI SCHWARTZ

Investor Relations

212.553.4862

sallilyn.schwartz@moodys.com

MICHAEL ADLER

Corporate Communications

212.553.4667

michael.adler@moodys.com

moodys.com

ir.moodys.com/

moodys.com/csr

FOR RISKFIRST:

ANNA SHARROCK

+44.20.7655.1717

anna.sharrock@finnpartners.com

MOODY'S ACQUIRES RISKFIRST, EXPANDING BUY-SIDE ANALYTICS CAPABILITIES

NEW YORK – July 25, 2019 - Moody's Corporation (NYSE: MCO) announced today that it has acquired RiskFirst, a leading FinTech company providing risk analytic solutions for the asset management and pension fund communities. The acquisition positions Moody's Analytics to extend its range of market-leading risk solutions to the institutional buy-side.

RiskFirst's award-winning PFaroe® platform is a leading risk solution for U.S. and U.K. defined benefit pension markets, supporting over 3,000 plans and more than \$1.4 trillion in assets. RiskFirst also offers innovative solutions for the institutional investment market, including endowments, foundations and asset managers.

"RiskFirst sits at the heart of the buy-side and asset owner ecosystem and is known for its specialized expertise and high-quality products," said Mark Almeida, President of Moody's Analytics. "Adding RiskFirst's platform to Moody's Analytics' product offering creates significant opportunities for growth and demonstrates our commitment to extend our reach and capabilities to the buy-side and asset owner community."

Asset owners are increasingly seeking more sophisticated risk solutions, supported by advanced technology and analytics, to address growing financial management, funding and capital management challenges. This acquisition creates opportunities to extend the analytical capabilities of RiskFirst's platform and to develop new solutions to meet evolving customer needs.

"Combining Moody's Analytics scale, reach and capabilities with RiskFirst's leading solutions and extensive customer base creates a strong value proposition for buy-side institutions and asset owners," said Matthew Seymour, CEO of RiskFirst. "This deal will enhance our capabilities while building on what has made RiskFirst successful: a sophisticated, technically excellent product combined with superior service and support."

The terms of the transaction were not disclosed. Moody's expects the acquisition of RiskFirst to be accretive to earnings per share on a GAAP basis in 2022. On an adjusted EPS basis, which excludes purchase price amortization, the transaction is expected to be accretive in 2021. RiskFirst generated £16.5 million of revenue in 2018. The transaction was funded with offshore cash on hand.

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.moody.com.

"Safe Harbor" Statement under the Private Securities Litigation Reform Act of 1995

Certain statements contained in this release are forward-looking statements and are based on future expectations, plans and prospects for Moody'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 Moody's 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, Moody's 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 Moody's 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 Moody's global tax planning initiatives; exposure to potential criminal sanctions or civil remedies if Moody's fails to comply with foreign and U.S. laws and regulations that are applicable in the jurisdictions in which Moody's 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 Moody's 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. Other factors, risks and uncertainties relating to Moody's acquisition of RiskFirst could cause our actual results to differ materially from those indicated by these forward-looking statements, including difficulties or unanticipated expenses in connection with integrating RiskFirst's operations, products and employees into Moody's and the possibility that anticipated synergies and other benefits of the acquisition will not be realized in the amounts anticipated or will not be realized within the expected timeframe; risks that the acquisition could have an adverse effect on the business of RiskFirst or its prospects, including, without limitation, on relationships with vendors, suppliers or customers; claims made, from time to time, by vendors, suppliers or customers; changes in the global marketplace that have an adverse effect on the business of RiskFirst; and the accuracy of any assumptions underlying any of the foregoing. 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 Moody's annual report on Form 10-K for the year ended December 31, 2018, and in other filings made by Moody's 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 Moody'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 Moody's business, results of operations and financial condition. New factors may emerge from time to time, and it is not possible for Moody's to predict new factors, nor can Moody's assess the potential effect of any new factors on it.