

EDF-X CreditGradient

AI-Powered credit risk signals for unrated and private borrowers — expressed using Moody's Ratings credit rating scale *

Private credit has surged past \$2 trillion in AUM and is projected to nearly double within five years, but the infrastructure to assess and monitor credit risk has not kept pace. The SEC named private credit a top examination priority for 2026, and recent valuation and liquidity stresses across the market have underscored a structural gap: most private and middle-market borrowers are unrated, leaving GPs, LPs, and other deal participants without a common third-party relative credit risk measure. EDF-X CreditGradient helps close that gap. CreditGradient is an AI-powered solution that generates model-estimated credit risk signals based upon Moody's Ratings credit rating scale, even for borrowers with limited financials.

YOUR PORTFOLIO, MOODY'S INSIGHTS, ZERO DATA STORED

CreditGradient draws on Moody's proprietary data assets — 20+ years of credit rating histories, millions of private company financials, and the Credit Research Database, combined with a purpose-built AI model designed to generate credit risk signals expressed using Moody's Ratings credit rating scale. Unlike PD-implied ratings, which compress risk into a single default probability, CreditGradient incorporates factors aligned with how many professionals assess creditworthiness, including scale, leverage, profitability, industry, geography, and sovereign risk.

With as few as four borrower-level data points, CreditGradient generates:

- A model-estimated risk measure expressed using Moody's Ratings credit rating scale
- Explainable risk drivers detailing what shaped each credit risk estimate
- Monthly updates, even between financial statement dates

CreditGradient is delivered via the EDF-X API, which processes all requests in real time and **never stores customer data**. No holdings retained, no databases built, no information warehoused. The goal is not to make private markets public; the goal is to give deal participants a common, objective language for credit risk, while keeping exposure data private.

CREDIT RISK INSIGHTS FOR UNRATED EXPOSURES

CreditGradient provides a consistent, rating-scale risk measure where none previously existed — and it can be integrated directly into workflows across the credit lifecycle.

* EDF-X CreditGradient output is not a Moody's Ratings credit rating and is not the result of any analysis performed by Moody's Ratings

WORKFLOWS

Insurers

An independent, scalable benchmark for unrated credit allocations, supporting internal ratings processes and exposure monitoring.

LPs & Institutional Investors

A commonly used risk lens to evaluate and screen assets, compare vintages and strategies, and assess alignment with investment mandates.

CLO Managers & Direct Lenders

A systematic way to risk-rate unrated assets for portfolio construction, surveillance, and alignment with investment guidelines.

Banks & Middle Market Lenders

A complement or input to expert scorecards, enhancing the credit review process with standardized and explainable metrics.

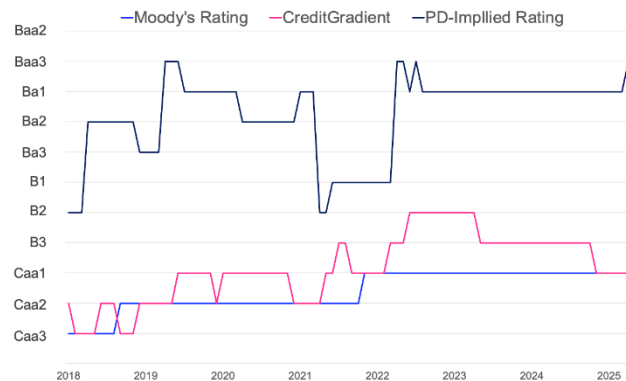
Because CreditGradient outputs are expressed using Moody's Ratings credit rating scale, it also supports use cases that require a credit reference point, such as:

- Valuation and pricing of private and unrated debt instruments
- Spread curve development for bespoke loans
- Portfolio benchmarking against the rated universe
- Relative value analysis across rated and unrated borrowers

Each CreditGradient risk estimate includes a clear, intuitive breakdown of what shaped the model's output, supporting clearer, more informed dialogue among lenders, borrowers, and investors.

SEEING IS BELIEVING

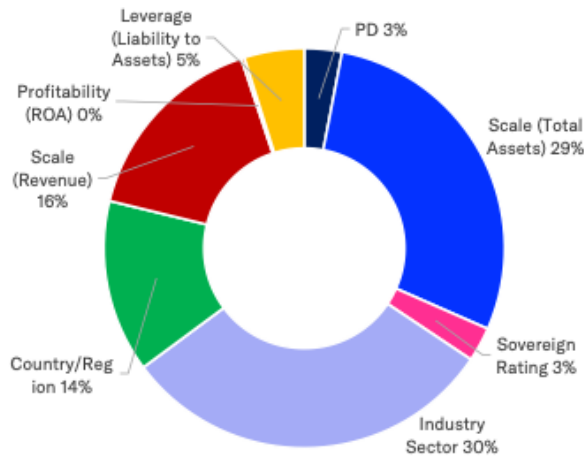
The example below illustrates CreditGradient output for a private company publicly rated by Moody's Ratings in the energy sector over a five-year period. CreditGradient aligns closely with the ratings given by Moody's Ratings throughout the period, while the PD-implied rating diverges by several rating notches at multiple points.



CreditGradient is not a Moody's agency rating, private rating, or shadow rating.

UNDERSTAND THE DRIVERS BEHIND EACH ESTIMATE

CreditGradient provides transparency into the factors that shape each borrower’s model-estimated risk measure, and how they shift over time. Because the CreditGradient model incorporates scorecard-like factors rather than relying on PD alone, it can decompose each credit risk estimate into its drivers: scale (total assets and revenue), industry sector, leverage, country, sovereign rating, and profitability. The chart below shows how these drivers contributed to the company’s June 2025 estimate. These contributions sum to 100%, offering visibility of the factors behind each estimate.



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UNLOCK OPPORTUNITIES WITH CREDITGRADIENT

CreditGradient is built on the extensive depth, breadth, and quality of Moody’s credit intelligence — combining Moody’s proprietary datasets with an AI model designed to capture the factors that drive credit quality. The result is a model-estimated risk measure expressed using Moody’s Ratings credit rating scale, accompanied by interpretable risk drivers, for borrowers that would otherwise remain opaque. And with the EDF-X API’s no-storage architecture, your portfolio data remains under your control.

CreditGradient brings Moody’s credit intelligence to unrated borrowers, giving investors an objective framework to support comparative credit risk assessment, without making private markets public.

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