



MSCI to Strengthen Climate Risk Capability with Acquisition of Carbon Delta

September 9, 2019

NEW YORK & ZURICH--(BUSINESS WIRE)--Sep. 9, 2019-- MSCI Inc. (NYSE: MSCI), a leading provider of critical decision support tools and services for the global investment community, announced today that its subsidiary, MSCI Barra (Suisse) Sàrl, has entered into a definitive agreement to acquire Zurich-based environmental fintech and data analytics firm, Carbon Delta AG ("Carbon Delta").

Founded in 2015, Carbon Delta is a global leader for climate change scenario analysis. Together, MSCI and Carbon Delta will create an extensive climate risk assessment and reporting offering for the institutional market, providing global investors with solutions to help them better understand the impact of climate change on their investment portfolios and comply with mandatory and voluntary climate risk disclosure initiatives and requirements. Voluntary reporting initiatives are being led by entities such as the Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations-supported Principles for Responsible Investing (UNPRI), while mandatory disclosure requirements are quickly developing across the European Union and North America.

The Carbon Delta integration will expand MSCI's robust suite of climate risk capabilities with state-of-the-art modeling technology that supports climate scenario analysis and forward-looking assessment of transition and physical risks, as well as extensive company-level analysis of publicly traded companies globally. This will be offered as **MSCI Climate Value-at-Risk**, an innovative and pioneering climate risk metric that calculates the impact of climate change on a company's market value and helps investors understand and quantify these risks within their portfolio.

"We believe climate change will become one of the most important investment factors over the long term. Institutional investors should be able to analyze the exposure of their portfolios to climate risk while also being able to report on their climate strategy," said **Remy Briand, Head of ESG at MSCI**. "We are pleased to come together with Carbon Delta to provide our clients with state-of-the-art climate risk analysis capabilities that can help shape investment management practices of the future."

The Zurich office will act as MSCI's Climate Risk Center, the focal point for the development of climate change risk analytics and tools. The aim will be to develop strong partnerships with leading academic and research institutions around the world to advance the use of climate science for financial risk analysis, building on the relationships already forged by Carbon Delta.

"Carbon Delta has aimed to create the best climate change scenario analytics for financial institutions," said **Dr. Oliver Marchand, CEO of Carbon Delta**. "We are very excited to join forces with MSCI to mature and grow our products. Combining Carbon Delta's scenario analysis and MSCI's products is what institutional investors have been asking for."

The transaction is expected to close within the next month, subject to customary closing conditions. The business is expected to add approximately \$4 to \$5 million of recurring expenses to the ESG operating segment within MSCI's "All Other" reporting segment. The purchase will be funded through existing cash on hand.

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About MSCI Inc.

MSCI is a leading provider of critical decision support tools and services for the global investment community. With over 45 years of expertise in research, data and technology, we power better investment decisions by enabling clients to understand and analyze key drivers of risk and return and confidently build more effective portfolios. We create industry-leading research-enhanced solutions that clients use to gain insight into and improve transparency across the investment process. To learn more, please visit www.msci.com. MSCI#IR

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements relate to future events or to future financial performance and involve known and unknown risks, uncertainties and other factors that may cause actual results, levels of activity, performance or achievements to be materially different from any future results, levels of activity, performance or achievements expressed or implied by these statements. In some cases, you can identify forward-looking statements by the use of words such as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential" or "continue," or the negative of these terms or other comparable terminology. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties and other factors that are, in some cases, beyond MSCI's control and that could materially affect actual results, levels of activity, performance or achievements.

Other factors that could materially affect actual results, levels of activity, performance or achievements can be found in MSCI's Annual Report on Form 10-K for the fiscal year ended December 31, 2018 filed with the Securities and Exchange Commission ("SEC") on February 22, 2019 and in quarterly reports on Form 10-Q and current reports on Form 8-K filed or furnished with the SEC. If any of these risks or uncertainties materialize, or if MSCI's underlying assumptions prove to be incorrect, actual results may vary significantly from what MSCI projected. Any forward-looking statement in this press release reflects MSCI's current views with respect to future events and is subject to these and other risks, uncertainties and assumptions relating to MSCI's operations, results of operations, growth strategy and liquidity. MSCI assumes no obligation to publicly update or revise these forward-looking statements for any reason, whether as a result of new information, future events, or otherwise, except as required by law.

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