MOODY'S RATINGS

Rating Action: Moody's Ratings upgrades Class B Notes issued by Bayfront Infrastructure Capital IV Pte. Ltd.

13 Jun 2025

Singapore, June 13, 2025 -- Moody's Ratings (Moody's) has today upgraded the rating on the Class B Notes issued by Bayfront Infrastructure Capital IV Pte. Ltd.

The affected rating is as follows:

Issuer: Bayfront Infrastructure Capital IV Pte. Ltd.

....US$54.5 million Class B Senior Secured Floating Rate Notes due 2044, Upgraded to Aaa (sf); previously on September 20, 2023 Definitive Rating Assigned Aa1 (sf)

A comprehensive review of all credit ratings for the transaction has been conducted during a rating committee.

Bayfront Infrastructure Capital IV Pte. Ltd. is a project finance collateralized loan obligation (CLO) cash flow securitization. As of the end of April 2025, the CLO was backed by a US$344 million portfolio, encompassing 37 bank-syndicated senior project finance and infrastructure loans and bonds to 32 projects across Asia Pacific, the Middle East, Africa and the Americas, and US$0.6 million cash.

RATINGS RATIONALE

The rating upgrade on the Class B Notes is mainly prompted by an increase in the credit enhancement available to the notes and the broadly stable credit quality of the portfolio of project finance and infrastructure loans and bonds.

No action was taken on the remaining rated classes in the deal as credit enhancement for these classes remain commensurate with the current ratings.

After the payment date in April 2025, the effective subordination available to the Class B Notes has increased to 20.3% from 17.1% at closing. The cash currently held will be distributed in October 2025. The cash comes from principal payments from the project and infrastructure loans and bonds since the last notes payment date in April 2025.

The pool credit quality has remained stable. The current weighted average rating factor (WARF) of the portfolio after applying the credit estimate notching adjustments is 1,376, and without adjustments is 1,194. At closing, the WARF with notching adjustments was 1,279, and without adjustments was 1,090.

We use a loan-by-loan Monte Carlo simulation framework in our CDOROM™ to model the portfolio loss distribution for this CLO.

The key model inputs we use in our analysis, such as par, rating factor, and the recovery rate assumptions, are based on our published methodology and could differ from the trustee's reported numbers. In our base case, the underlying loan portfolio has a performing par of US$344 million, a WARF of 1,376 after applying the credit estimate notching adjustments over a weighted average life of 5.4 years and a weighted average recovery rate upon default of 73% (inclusive of external credit support for covered loans).

RATING METHODOLOGY

The principal methodology used in this rating was "Project Finance and Infrastructure Asset CLOs" published in July 2024 and available at https://ratings.moodys.com/rmc-documents/425583. Alternatively, please see the Rating Methodologies page on https://ratings.moodys.com for a copy of this methodology.

Factors that would lead to an upgrade or downgrade of the rating:

This transaction is subject to the performance of the underlying portfolio and the credit quality of the external credit support providers and counterparties of the participation agreements, which in turn is subject to a high level of macroeconomic uncertainty. The CLO manager's investment decisions and management of the transaction will also affect the performance of the rated securities.

REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on https://ratings.moodys.com/rating-definitions.

The analysis relies on an assessment of collateral characteristics to determine the collateral loss distribution, that is, the function that correlates to an assumption about the likelihood of occurrence to each level of possible losses in the collateral. As a second step, Moody's evaluates each possible collateral loss scenario using a model that replicates the relevant structural features to derive payments and therefore the ultimate potential losses for each rated instrument. The loss a rated instrument incurs in each collateral loss scenario, weighted by assumptions about the likelihood of events in that scenario occurring, results in the expected loss of the rated instrument.

For any affected securities or rated entities receiving direct credit support/credit substitution from another entity or entities subject to a credit rating action (the supporting entity), and whose ratings may change as a result of a credit rating action as to the supporting entity, the associated regulatory disclosures will relate to the supporting entity. Exceptions to this approach may be applicable in certain jurisdictions.

For ratings issued on a program, series, category/class of debt or security, certain regulatory disclosures applicable to each rating of a subsequently issued bond or note of the same series, category/class of debt, or security, or pursuant to a program for which the ratings are derived exclusively from existing ratings, in accordance with Moody's rating practices, can be found in the most recent Credit Rating Announcement related to the same class of Credit Rating.

For provisional ratings, the Credit Rating Announcement provides certain regulatory disclosures in relation to the provisional rating assigned, and in relation to a definitive rating that may be assigned subsequent to the final issuance of the debt, in each case where the transaction structure and terms have not changed prior to the assignment of the definitive rating in a manner that would have affected the rating.

Moody's does not always publish a separate Credit Rating Announcement for each Credit Rating assigned in the Anticipated Ratings Process or Subsequent Ratings Process.

This rating is solicited. Please refer to Moody's Policy for Designating and Assigning Unsolicited Credit Ratings available on its website https://ratings.moodys.com.

Regulatory disclosures contained in this press release apply to the credit rating and, if applicable, the related rating outlook or rating review.

The Global Scale Credit Rating(s) discussed in this Credit Rating Announcement was(were) issued by one of Moody's affiliates outside the EU and UK and is(are) endorsed for use in the EU and UK in accordance with the EU and UK CRA Regulation.

Please see https://ratings.moodys.com for any updates on changes to the lead rating analyst and to the Moody's legal entity that has issued the rating.

Please see the issuer/deal page on https://ratings.moodys.com for additional regulatory disclosures for each credit rating.

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