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**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**29 April 2024**

**RECOMMENDED CASH ACQUISITION**

**of**

**HIPGNOSIS SONGS FUND LIMITED**

**by**

**LYRA BIDCO LIMITED**

**(a newly-formed company indirectly wholly-owned by investment funds advised by affiliates of Blackstone Inc.)**

**to be implemented by means of a takeover offer for the purposes of section 337 of the Companies (Guernsey) Law, 2008 (as amended)**

## **Summary**

- The boards of directors of Lyra Bidco Limited (“**Bidco**”) and Hipgnosis Songs Fund Limited (“**Hipgnosis**”) are pleased to announce that they have reached agreement on the terms and conditions of a recommended cash acquisition by Bidco of the entire issued, and to be issued, ordinary share capital of Hipgnosis.
- It is intended that the Acquisition will be implemented by way of a takeover offer for the purposes of section 337 of the Companies Law. Bidco reserves the right to elect to implement the Acquisition by way of a Scheme as an alternative to the Offer, subject to the Panel’s consent and the terms of the Cooperation Agreement.
- Under the terms of the Acquisition, each Hipgnosis Shareholder will be entitled to receive:  
**for each Hipgnosis Share: \$1.30 in cash**
- The GBP equivalent value of the Acquisition Price based on the Announcement Exchange Rate, being 104 pence, represents a premium of approximately:
  - 4.0 per cent. to the implied offer price of the Concord Revised Offer;
  - 48.1 per cent. to the Closing Price of 71 pence per Hipgnosis Share on 17 April 2024 (being the last Business Day before the commencement of the Offer Period);

- 53.6 per cent. to the volume-weighted average price of 68 pence per Hipgnosis Share for the one-month period ended 17 April 2024 (being the last Business Day before the commencement of the Offer Period);
  - 58.1 per cent. to the volume-weighted average price of 66 pence per Hipgnosis Share for the three-month period ended 17 April 2024 (being the last Business Day before the commencement of the Offer Period); and
  - 16.9 per cent. to Hipgnosis' Adjusted 30 September 2023 Operative NAV per Hipgnosis Share of \$1.11.
- The Acquisition values Hipgnosis' entire issued, and to be issued, ordinary share capital at approximately \$1,572 million (which is equivalent to £1,262 million based on the Announcement Exchange Rate).
  - **The terms of the Acquisition represent an attractive premium for Hipgnosis Shareholders over the terms of the Concord Revised Offer and accordingly the Hipgnosis Shareholders are urged to take no action in respect of the Concord Revised Offer.**
  - Bidco will procure that a facility will be made available under which Hipgnosis Shareholders will be able to elect (subject to the terms and conditions of the facility) to receive the cash consideration in Sterling (after deduction of any transaction or dealing costs associated with the conversion) at the applicable market exchange rate on the latest practicable date for fixing such rate prior to the relevant payment date. Further details of this facility and the election by Hipgnosis Shareholders wishing to receive their cash consideration in Sterling will be set out in the Offer Document and the Form of Election. On the basis of the Announcement Exchange Rate, the cash consideration implies an equivalent value of 104 pence per Hipgnosis Share. For any Hipgnosis Shareholder electing to be paid their cash consideration in Sterling, the amount per Hipgnosis Share received may, depending on the prevailing exchange rate, result in a payment below or above 104 pence per Hipgnosis Share.
  - If, on or after the date of this announcement and prior to completion of the Acquisition, any dividend and/or other distribution is announced, declared, made or paid or becomes payable in respect of the Hipgnosis Shares with a record date prior to completion of the Acquisition, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the Hipgnosis Shares by an amount up to the aggregate amount of such dividend and/or distribution, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Offer or the Acquisition. In such circumstances, Hipgnosis Shareholders would be entitled to retain any such dividend or distribution declared, made or paid.

## **Recommendation**

- In light of the terms of the Acquisition as compared to the Concord Revised Offer, the Hipgnosis Directors, who have been so advised by Singer Capital Markets as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be

fair and reasonable. In providing its advice to the Hipgnosis Directors, Singer Capital Markets has taken into account the commercial assessments of the Hipgnosis Directors. Singer Capital Markets is providing independent financial advice to the Hipgnosis Directors for the purposes of Rule 3 of the Takeover Code.

- **Accordingly, the Hipgnosis Directors intend to recommend unanimously that Hipgnosis Shareholders should accept or procure the acceptance of the Offer, or (in the event that the Acquisition is implemented by way of a Scheme), to vote in favour of the Scheme at the requisite Court Meeting and the Resolutions at a General Meeting of Hipgnosis Shareholders.**
- **Given their intended recommendation of the terms of the Acquisition, the Hipgnosis Directors have decided unanimously to withdraw their recommendation of the Concord Revised Offer.**

### **Background to and reasons for the Acquisition**

- Blackstone’s history of investments covers a wide range of sectors and business structures that all have in common a focus to build and grow the businesses in which it invests. Blackstone has a particularly strong focus on the media and entertainment sectors, covering music rights as well as the broader universe of asset-backed strategies. Among its investments within the media and entertainment sectors, through its portfolio company Hipgnosis Songs Assets, managed by Hipgnosis Song Management Limited (“**HSM**” or the “**Investment Adviser**”) which is majority owned by Blackstone, Blackstone owns music rights catalogues from leading artists and songwriters. Blackstone’s other investments in the space include SESAC, the US performance rights society and Candle Media.
- Blackstone continues to invest thematically in content across the wider entertainment industry. Blackstone has closely tracked the performance of Hipgnosis and has been a long term admirer of the music rights catalogues owned by Hipgnosis. Blackstone will seek to further enhance the value of the acquired rights in collaboration with the songwriters, artists and producers who entrusted Hipgnosis to safeguard their legacy.
- Blackstone has worked collaboratively with the Hipgnosis Board to ensure that its offer represents a fair and reasonable outcome for all shareholders.

### **Background to and reasons for the recommendation**

- On 18 April 2024, the boards of Hipgnosis and Concord announced that they had reached agreement on the terms of a recommended cash offer pursuant to which Concord would acquire the entire issued and to be issued share capital of Hipgnosis for \$1.16 per Hipgnosis Share (with a further contingent consideration of up to \$0.020 per Hipgnosis Share).
- On 20 April 2024, Blackstone announced a possible offer for the entire issued and to be issued share capital of Hipgnosis at a price of \$1.24 per Hipgnosis Share.
- On 24 April 2024, the boards of Hipgnosis and Concord announced that they had reached agreement on the terms and conditions of an increased recommended cash offer pursuant to which Concord would acquire the entire issued and to be issued share capital of Hipgnosis at a price of \$1.25 per Hipgnosis Share (the “**Concord Revised Offer**”).

- Under the terms of the Acquisition from Bidco announced today, each Hipgnosis shareholder would receive \$1.30 per Hipgnosis Share, representing a premium of \$0.05 per Hipgnosis Share (4.0 per cent.) compared to the Concord Revised Offer. The Hipgnosis Board has concluded, after careful consideration, that the Acquisition represents a superior offer for Hipgnosis Shareholders as compared with the Concord Revised Offer.
- Accordingly, the Hipgnosis Board has decided to withdraw its recommendation for the Concord Revised Offer and intends to unanimously recommend that Hipgnosis Shareholders accept or procure the acceptance of the Acquisition, or (in the event that the Acquisition is implemented by way of a Scheme), to vote in favour of the Scheme at the requisite Court Meeting and the Resolutions at a General Meeting of Hipgnosis Shareholders.

### **Information relating to Bidco and Blackstone**

- Bidco is a private limited company incorporated under the laws of England and Wales on 25 April 2024, whose registered office is at 40 Berkeley Square, London, W1J 5AL, United Kingdom with registered number 15680043. Bidco is a newly-formed company indirectly wholly-owned by investment funds advised by affiliates of Blackstone. Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.
- Blackstone is one of the world's leading investment firms. Blackstone seeks to create positive economic impact and long-term value for our investors, the companies we invest in and the communities in which we work. Blackstone does this by using extraordinary people and flexible capital to help companies solve problems. Blackstone's \$1 trillion in assets under management as at 31 December 2023 includes investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at [www.blackstone.com](http://www.blackstone.com).

### **Information relating to Hipgnosis**

- Hipgnosis was launched in 2018 to offer investors a pure-play exposure to music royalties and their associated intellectual property rights with a focus on building a diversified portfolio, acquiring catalogues that are built around proven hit songs by some of the most talented and important songwriters globally.
- Since launch, Hipgnosis has built a portfolio currently comprising 138 catalogues with more than 40,000 songs, containing copyright and income streams derived from compositions performed by some of the top artists of the last 50 years. Hipgnosis' portfolio is diversified across genres, artists, vintages and right types.
- Hipgnosis is a non-cellular Guernsey company registered with the GFSC as a closed-ended collective investment scheme whose ordinary shares are admitted to the Premium Listing Segment of the FCA's Official List and admitted to trading on the Main Market of the London Stock Exchange. It is a self-managed AIF under the EU AIFM Directive and the UK AIFMD.

## Timetable and conditions

- It is intended that the Acquisition will be implemented by way of a takeover offer for the purposes of section 337 of the Companies Law (although Bidco reserves the right to elect to implement the Acquisition by way of a Scheme, subject to the Panel's consent and the terms of the Cooperation Agreement).
- The Offer will be conditional on, among other things, valid acceptances being received (and not validly withdrawn) by not later than 1.00 p.m. (London time) on the unconditional date (or such later time(s) and/or date(s) as Bidco may, with the consent of the Panel, decide) in respect of such number of Hipgnosis Shares as shall, when aggregated with any Hipgnosis Shares acquired or unconditionally agreed to be acquired (whether pursuant to the Offer or otherwise) by Bidco, represent Hipgnosis Shares carrying not less than 55 per cent. of the voting rights then exercisable at a general meeting of Hipgnosis Shareholders (or such lower percentage as Bidco may decide), provided that Bidco shall hold or have acquired or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, Hipgnosis Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Hipgnosis (the "**Acceptance Condition**"). Unless the Panel agrees otherwise, the Acceptance Condition shall only be capable of being satisfied when all other Conditions have been satisfied or waived.
- The Acquisition is subject to the satisfaction or, where applicable, waiver of the Conditions. The Conditions to the Acquisition are set out in full in Appendix 1 to this announcement along with certain other terms; and the full terms and conditions will be provided in the Offer Document.
- It is expected that the Offer Document, containing further information about the Acquisition and specifying the actions to be taken by Hipgnosis Shareholders in respect of the Offer, will be published (with the accompanying form of acceptance) as soon as practicable and in any event within 28 days of this announcement. "Day 60" of the Takeover Code timetable will be the day falling 60 days after publication of the Offer Document (or such other date as may be determined by Bidco with the agreement of the Panel to be the last date for fulfilment of the Acceptance Condition).
- The Acquisition is currently expected to complete during the third quarter of 2024, subject to the satisfaction or (where applicable) waiver of the Conditions. An expected timetable of key events relating to the Acquisition will be set out in the Offer Document.
- Commenting on this announcement, Robert Naylor, the Chair of Hipgnosis, said:

*"The Board is pleased to unanimously recommend this US\$1.6 billion Offer for Hipgnosis from Blackstone. Since we started our strategic review, we have been clearly focused on looking at all the options to deliver shareholder value. We are delighted that, following competitive interests in acquiring Hipgnosis, our investors now have a chance to immediately realise their holding at an increased premium."*

- Commenting on this announcement, Qasim Abbas, Senior Managing Director of Blackstone, said:

*"Our offer price, which has been unanimously recommended by the Board, represents a significant premium to the unaffected share price and allows shareholders to realise*

*immediate and attractive value for their shareholding. The offer is the result of extensive discussion and negotiations with the Board and provides shareholders the certainty of cash today.*

*Blackstone is a long-term investor with deep experience of investing across the media and entertainment sectors, including in music rights. The breadth of the Blackstone platform, combined with our operational expertise, will support and enhance the value of the acquired rights.”*

**This summary should be read in conjunction with, and is subject to, the following announcement and the Appendices. The conditions to, and certain further terms of, the Acquisition are set out in Appendix 1. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2. Certain definitions and terms used in this announcement are set out in Appendix 3.**

### **Enquiries**

**Jefferies (Financial Adviser to Bidco and Blackstone)** **+44 207 029 8000**

Philip Noblet / Chris Cottrell / Harry Le May / Stuart Klein

**Teneo (Financial PR Adviser to Bidco and Blackstone)** **+44 207 260 2700**

James Macey White / Ed Cropley

**Hipgnosis** **+44 207 496 3000**

Robert Naylor, Chairman via Singer Capital Markets

**Singer Capital Markets (Sole Rule 3 Adviser, Financial Adviser and Corporate Broker to Hipgnosis)** **+44 207 496 3000**

James Moat / Alaina Wong / Sam Butcher / Jalini Kalaravy

**Shot Tower Capital LLC (Valuer and Strategic Adviser to Hipgnosis)** **+1 410 376 7900**

David Dunn / Robert Law / Rick Roebuck / Will Ponsi

Susanna Voyle / Charlie Twigg

Kirkland & Ellis International LLP is acting as legal adviser to Bidco and Blackstone in connection with the Acquisition. Ogier (Guernsey) LLP is acting as Guernsey legal adviser to Bidco.

Shoosmiths LLP is acting as UK legal adviser in connection with the Acquisition. Carey Olsen (Guernsey) LLP is acting as Guernsey legal adviser to Hipgnosis.

### **Further information**

*Jefferies International Limited (“Jefferies”), which is authorised and regulated in the UK by the FCA, is acting as financial adviser to Blackstone and Bidco and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Blackstone and Bidco for providing the protections offered to clients of Jefferies or for providing advice in connection with any matter referred to in this announcement. Neither Jefferies nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies in connection with this announcement, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Jefferies as to the contents of this announcement.*

*Singer Capital Markets Advisory LLP (“Singer Capital Markets”), which is authorised and regulated in the United Kingdom by the FCA, is acting as sole Rule 3 adviser, financial adviser and corporate broker exclusively for Hipgnosis and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Hipgnosis for providing the protections afforded to clients of Singer Capital Markets nor for providing advice in connection with the matters referred to herein.*

*This announcement is for information purposes only and is not intended to, and does not, constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Hipgnosis in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely pursuant to the terms of the Offer Document (or, if the Acquisition is implemented by way of a Scheme, the Scheme Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any response in relation to the Acquisition, or if the Acquisition is implemented by way of a Scheme, any vote in respect of the Scheme should be made only on the basis of the information contained in the Offer Document (or, if the Acquisition is implemented by way of a Scheme, the Scheme Document).*

*This announcement does not constitute a prospectus, prospectus equivalent document or exempted document.*

*This announcement contains inside information in relation to Hipgnosis for the purposes of Article 7 of the Market Abuse Regulation. Hipgnosis' Legal Entity Identifier is 213800XJIPNDVKXMOC11.*

***If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.***

### **Overseas shareholders**

*The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared in accordance with and for the purpose of complying with English law, Guernsey law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The availability of the Acquisition to Hipgnosis Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Offer Document (or, if the Acquisition is implemented by way of a Scheme, the Scheme Document).*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid any related purported vote in respect of the Acquisition. Unless otherwise permitted by applicable law and regulation, the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-*



*mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*Further details in relation to Overseas Shareholders will be included in the Offer Document (or, if the Acquisition is implemented by way of a Scheme, the Scheme Document).*

### **Notice to U.S. Hipgnosis Shareholders**

*The Acquisition relates to the shares of a Guernsey company with a listing on the London Stock Exchange and is being made by means of takeover offer. A transaction effected by means of a takeover offer or, if the Acquisition is to be implemented by means of a Scheme, a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the U.S. Securities Exchange Act of 1934 (the “U.S. Exchange Act”). Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in Guernsey to takeover offers and schemes of arrangement which differ from the disclosure requirements of the U.S. tender offer and proxy solicitation rules. The financial information included in this announcement has been prepared in accordance with generally accepted accounting principles of the UK and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*If, in the future, Bidco exercises its right to implement the Acquisition by way of an Offer, which is to be made into the United States, such Offer will be made in compliance with the applicable U.S. laws and regulations.*

*It may be difficult for U.S. holders of Hipgnosis Shares to enforce their rights and any claim arising out of the U.S. federal laws, since Bidco and Hipgnosis are located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders of Hipgnosis Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court’s judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, Blackstone or its nominees, or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Hipgnosis Shares outside of the U.S., other than pursuant to the Acquisition, until the date on which completion of the Acquisition occurs, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the U.S. Exchange Act, Jefferies will continue to act as an exempt principal trader in Hipgnosis shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*U.S. Hipgnosis Shareholders also should be aware that the transaction contemplated herein may have tax consequences in the U.S. and, that such consequences, if any, are not described herein. U.S. Hipgnosis Shareholders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.*

## **Forward looking statements**

*This announcement (including information incorporated by reference in this announcement), statements made regarding the Acquisition, and other information published by Bidco and Hipgnosis contain statements which are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Hipgnosis about future events and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Bidco and Hipgnosis (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “prepares”, “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “projects”, “synergy”, “strategy”, “scheduled”, “goal”, “estimates”, “forecasts”, “cost-saving”, “intends”, “target”, “aims”, “anticipates”, “continues”, or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco’s, Hipgnosis’, any member of the Bidco Group’s or any member of the Hipgnosis Group’s operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco’s, Hipgnosis’, any member of the Bidco Group’s or any member of the Hipgnosis Group’s business.*

*Although Bidco and Hipgnosis believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and Hipgnosis can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and Hipgnosis operate, weak, volatile or illiquid capital and/or credit markets, changes in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco and Hipgnosis operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or*

*if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor Hipgnosis, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements.*

*Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Hipgnosis Group, there may be additional changes to the Hipgnosis Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.*

*Other than in accordance with their legal or regulatory obligations, neither Bidco nor Hipgnosis is under any obligation, and Bidco and Hipgnosis expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **Dealing and opening position disclosure requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree*

company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on a website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Hipgnosis' website at <https://communications.singercm.com/p/4UWI-EVY/blackstone-recommended-offer-hipgnosis> and on Bidco's website at <https://www.announcement-documents.com/> by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, neither the content of this website nor of any website accessible from any hyperlinks set out in this announcement are incorporated by reference or form part of this announcement.*

### **No profit forecasts, estimates or quantified benefits statements**

*No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Hipgnosis for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Hipgnosis.*

### **General**

*Bidco reserves the right to elect to implement the Acquisition by way of a Scheme as an alternative to the Scheme, subject to the Panel's consent and (while the Cooperation Agreement is continuing) to the terms of the Cooperation Agreement. In such event, such Scheme will be implemented on substantially the same terms and conditions so far as applicable, as those which would apply to the Offer (subject to appropriate amendments, and for so long as the Cooperation Agreement is continuing and the Scheme arises in accordance with the terms of the Cooperation Agreement).*

*Investors should be aware that Bidco may purchase Hipgnosis Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, Hipgnosis Shareholders and persons with information rights may request a hard copy of this announcement by contacting Hipgnosis'*

registrars, Computershare Investor Services (Guernsey) Limited, or by calling 0370 707 4040 or from overseas +44 370 707 4040. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom or Guernsey will be charged at the applicable international rate. Lines are open between 8.30 a.m. to 5.30 p.m. (London time), Monday to Friday (except public holidays in the UK and Guernsey). Please note that Computershare Investor Services (Guernsey) Limited cannot provide any financial, legal or tax advice. Calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Hipgnosis Shareholders, persons with information rights and other relevant persons for the receipt of communications from Hipgnosis may be provided to Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

### **Disclaimer**

*The Acquisition will be subject to English law, the jurisdiction of the Court, and the applicable requirements of the GFSC, the Companies Law, the Takeover Code, the Panel and the London Stock Exchange.*

**NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, DIRECTLY OR INDIRECTLY, IN, INTO OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF THAT JURISDICTION**

**FOR IMMEDIATE RELEASE**

**THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION**

**29 April 2024**

**RECOMMENDED CASH ACQUISITION**

**of**

**HIPGNOSIS SONGS FUND LIMITED**

**by**

**LYRA BIDCO LIMITED**

**(a newly-formed company indirectly wholly-owned by investment funds advised by affiliates of Blackstone Inc.)**

**to be implemented by means of a takeover offer for the purposes of section 337 of the Companies (Guernsey) Law, 2008 (as amended)**

## **1 INTRODUCTION**

The boards of directors of Bidco and Hipgnosis are pleased to announce that they have reached agreement on the terms and conditions of a recommended cash acquisition by Bidco of for the entire issued, and to be issued, ordinary share capital of Hipgnosis.

It is intended that the Acquisition will be implemented by way of a takeover offer for the purposes of section 337 of the Companies Law (although Bidco reserves the right to effect the Acquisition by way of a Scheme, subject to the consent of the Panel and the terms of the Cooperation Agreement). The Conditions to the Acquisition are set out in full in Appendix 1 to this announcement.

## **2 THE ACQUISITION**

Under the terms of the Acquisition, which will be subject to the Conditions and further terms set out in Appendix 1 to this announcement and the full terms and conditions to be set out in the Offer Document, each Hipgnosis Shareholder will be entitled to receive:

**for each Hipgnosis Share: \$1.30 in cash**

The GBP equivalent value of the Acquisition Price based on the Announcement Exchange Rate, being 104 pence, represents a premium of approximately:

- 4.0 per cent. to the implied offer price of the Concord Revised Offer;
- 48.1 per cent. to the Closing Price of 71 pence per Hipgnosis Share on 17 April 2024 (being the last Business Day before the commencement of the Offer Period);
- 53.6 per cent. to the volume-weighted average price of 68 pence per Hipgnosis Share for the one-month period ended 17 April 2024 (being the last Business Day before the commencement of the Offer Period);
- 58.1 per cent. to the volume-weighted average price of 66 pence per Hipgnosis Share for the three-month period ended 17 April 2024 (being the last Business Day before the commencement of the Offer Period);
- 16.9 per cent. to Hipgnosis' Adjusted 30 September 2023 Operative NAV per Hipgnosis Share of \$1.11.

The Acquisition values Hipgnosis' entire issued, and to be issued, ordinary share capital at approximately \$1,572 million (which is equivalent to £1,262 million based on the Announcement Exchange Rate).

Bidco will procure that a facility will be made available under which Hipgnosis Shareholders will be able to elect (subject to the terms and conditions of the facility) to receive the cash consideration in Sterling (after deduction of any transaction or dealing costs associated with the conversion) at the applicable market exchange rate on the latest practicable date for fixing such rate prior to the relevant payment date. Further details of this facility and the election by Hipgnosis Shareholders wishing to receive their cash consideration in Sterling will be set out in the Offer Document and the Form of Election. On the basis of the Announcement Exchange Rate, the cash consideration implies an equivalent value of 104 pence per Hipgnosis Share. For any Hipgnosis Shareholder electing to be paid their cash consideration in Sterling, the amount per Hipgnosis Share received may, depending on the prevailing exchange rate, result in a payment below or above 104 pence per Hipgnosis Share.

The Hipgnosis Shares will be acquired pursuant to the Acquisition fully paid and free from all liens, charges, equities, encumbrances, rights of pre-emption and any other interests of any nature whatsoever and together with all rights attaching thereto, including without limitation voting rights and the right to receive and retain in full all dividends and other distributions (if any) announced, declared, made or paid with a record date on or after the date of this announcement.

An updated valuation report will be produced for the purposes of the Offer Document and will be reproduced in the Offer Document.

If, on or after the date of this announcement and prior to completion of the Acquisition, any dividend and/or other distribution is announced, declared, made or paid or becomes payable in respect of the Hipgnosis Shares with a record date prior to completion of the Acquisition, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the Hipgnosis Shares by an amount up to the aggregate

amount of such dividend and/or distribution, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the terms of the Offer or the Acquisition. In such circumstances, Hipgnosis Shareholders would be entitled to retain any such dividend or distribution declared, made or paid.

### **3 BACKGROUND TO AND REASONS FOR THE ACQUISITION**

Blackstone's history of investments covers a wide range of sectors and business structures that all have in common a focus to build and grow the businesses in which it invests. Blackstone has a particularly strong focus on the media and entertainment sectors, covering music rights as well as the broader universe of asset-backed strategies. Among its investments within the media and entertainment sectors, through its portfolio company Hipgnosis Songs Assets, managed by Hipgnosis Song Management Limited ("**HSM**" or the "**Investment Adviser**") which is majority owned by Blackstone, Blackstone owns music rights catalogues from leading artists and songwriters. Blackstone's other investments in the space include SESAC, the US performance rights society and Candle Media.

Blackstone continues to invest thematically in content across the wider entertainment industry. Blackstone has closely tracked the performance of Hipgnosis and has been a long term admirer of the music rights catalogues owned by Hipgnosis. Blackstone will seek to further enhance the value of the acquired rights in collaboration with the songwriters, artists and producers who entrusted Hipgnosis to safeguard their legacy.

Blackstone has worked collaboratively with the Hipgnosis Board to ensure that its offer represents a fair and reasonable outcome for all shareholders.

### **4 RECOMMENDATION**

In light of the terms of the Acquisition as compared to the Concord Revised Offer, the Hipgnosis Directors, who have been so advised by Singer Capital Markets as to the financial terms of the Acquisition, unanimously consider the terms of the Acquisition to be fair and reasonable. In providing its advice to the Hipgnosis Directors, Singer Capital Markets has taken into account the commercial assessments of the Hipgnosis Directors. Singer Capital Markets is providing independent financial advice to the Hipgnosis Directors for the purposes of Rule 3 of the Takeover Code.

**Accordingly, the Hipgnosis Directors intend to recommend unanimously that Hipgnosis Shareholders should accept or procure the acceptance of the Offer, or (in the event that the Acquisition is implemented by way of a Scheme), to vote in favour of the Scheme at the requisite Court Meeting and the Resolutions at a General Meeting of Hipgnosis Shareholders.**

**Given their intended recommendation of the terms of the Acquisition, the Hipgnosis Directors have decided unanimously to withdraw their recommendation of the Concord Revised Offer.**



## 5 BACKGROUND TO AND REASONS FOR THE RECOMMENDATION

On 18 April 2024, the boards of Hipgnosis and Concord announced that they had reached agreement on the terms and conditions of a recommended cash offer pursuant to which Concord would acquire the entire issued and to be issued share capital of Hipgnosis to be effected by means of a Scheme between Hipgnosis and relevant Hipgnosis Shareholders at a price per Hipgnosis Share of \$1.16 with a further contingent consideration of up to \$25 million, \$0.020 per Hipgnosis Share.

On 20 April 2024, Blackstone announced a possible offer for the entire issued and to be issued share capital of Hipgnosis at a price of \$1.24 per Hipgnosis Share and that it was intended that any firm offer made under Rule 2.7 of the Takeover Code in relation to the possible offer would be effected by means of an Offer.

On 24 April 2024, the boards of Hipgnosis and Concord announced that they had reached agreement on the terms and conditions of an increased recommended cash offer pursuant to which Concord would acquire the entire issued and to be issued share capital of Hipgnosis, to be effected by means of a Scheme between Hipgnosis and relevant Hipgnosis Shareholders, at a price of \$1.25 per Hipgnosis Share (the “**Concord Revised Offer**”).

Under the terms of the Acquisition from Bidco announced today, each Hipgnosis shareholder would receive \$1.30 per Hipgnosis Share, representing a premium of \$0.05 per Hipgnosis Share (4.0 per cent.) compared to the Concord Revised Offer. The Hipgnosis Board has concluded, after careful consideration, that the Acquisition represents a superior offer for Hipgnosis Shareholders as compared with the Concord Revised Offer.

Accordingly, the Hipgnosis Board has decided to withdraw its recommendation for the Concord Revised Offer and intends to unanimously recommend that Hipgnosis Shareholders accept or procure the acceptance of the Acquisition, or (in the event that the Acquisition is implemented by way of a Scheme), to vote in favour of the Scheme at the requisite Court Meeting and the Resolutions at a General Meeting of Hipgnosis Shareholders.

## 6 INFORMATION RELATING TO BIDCO AND BLACKSTONE

### Bidco

Bidco is a private limited company incorporated under the laws of England and Wales on 25 April 2024, whose registered office is at 40 Berkeley Square, London, W1J 5AL, United Kingdom with registered number 15680043. Bidco is a newly-formed company indirectly wholly-owned by investment funds advised by affiliates of Blackstone. Bidco was formed for the purposes of the Acquisition and has not traded since its date of incorporation, nor has it entered into any obligations other than in connection with the Acquisition.

The current directors of Bidco are Qasim Abbas and Henry Tian. Further details in relation to Bidco will be contained in the Offer Document.

## Blackstone

Blackstone is one of the world's leading investment firms. Blackstone seeks to create positive economic impact and long-term value for our investors, the companies we invest in and the communities in which we work. Blackstone does this by using extraordinary people and flexible capital to help companies solve problems. Blackstone's \$1 trillion in assets under management as at 31 December 2023 include investment vehicles focused on private equity, real estate, public debt and equity, life sciences, growth equity, opportunistic, non-investment grade credit, real assets and secondary funds, all on a global basis. Further information is available at [www.blackstone.com](http://www.blackstone.com).

## **7 INFORMATION RELATING TO HIPGNOSIS**

Hipgnosis was launched in 2018 to offer investors a pure-play exposure to music royalties and their associated intellectual property rights with a focus on building a diversified portfolio, acquiring catalogues that are built around proven hit songs by some of the most talented and important songwriters globally.

Since launch, Hipgnosis has built a portfolio currently comprising 138 catalogues with more than 40,000 songs, containing copyright and income streams derived from compositions performed by some of the top artists of the last 50 years. Hipgnosis' portfolio is diversified across genres, artists, vintages and right types.

Hipgnosis is a non-cellular Guernsey company registered with the GFSC as a closed-ended collective investment scheme whose ordinary shares are admitted to the Premium Listing Segment of the FCA's Official List and admitted to trading on the Main Market of the London Stock Exchange. It is a self-managed AIF under the EU AIFM Directive and the UK AIFMD.

## **8 FINANCING OF THE ACQUISITION**

The cash consideration payable to Hipgnosis Shareholders under the terms of the Acquisition will be financed by an equity investment into Bidco from the Blackstone Funds.

Jefferies, in its capacity as financial adviser to Bidco, is satisfied that sufficient resources are available to Bidco to satisfy in full the cash consideration payable to Hipgnosis Shareholders under the terms of the Acquisition.

Further information on the financing of the Acquisition will be set out in the Offer Document.

## **9 OFFER-RELATED ARRANGEMENTS**

### Confidentiality Agreement

On 11 April 2024, Blackstone, on behalf of Bidco, and Hipgnosis entered into a Confidentiality Agreement in relation to the Acquisition, pursuant to which, amongst other things, Blackstone, on behalf of Bidco has undertaken to: (i) subject to certain exceptions, keep information relating to Hipgnosis and the Acquisition confidential and not to disclose it to third parties; and (ii) use such confidential information only in

connection with the Acquisition. These confidentiality obligations will remain in force until the earlier of: (i) the date on which Hipgnosis and Blackstone enter into any written and legally binding agreement or agreements in relation to the Acquisition; and (ii) 11 April 2026.

### Cooperation Agreement

Pursuant to the Cooperation Agreement, Bidco and Hipgnosis have, amongst other things, each agreed to cooperate in preparing and implementing appropriate proposals in relation to the Acquisition. In addition, Hipgnosis has agreed that Bidco may elect to implement the Acquisition by means of a Scheme, in the event of which Bidco has agreed to certain provisions if the Offer should switch to a Scheme. The Cooperation Agreement will terminate in certain circumstances, including if the Acquisition is withdrawn, terminated or lapses, a third party announces a possible or firm intention to make an offer for Hipgnosis which completes, becomes effective or becomes unconditional, or if prior to the Long Stop Date any Condition has been invoked by Bidco (with the consent of the Panel), if the Hipgnosis Directors withdraw their recommendation of the Acquisition or if completion of the Acquisition does not occur in accordance with its terms by the Long Stop Date or otherwise as agreed between Bidco and Hipgnosis. Pursuant to the terms of the Cooperation Agreement, Bidco undertakes that it will inform Hipgnosis confirming if, to the extent permitted by the Panel, it intends to invoke or treat as unsatisfied or incapable of satisfaction one or more Conditions.

## **10 DISCLOSURE OF INTERESTS IN HIPGNOSIS SECURITIES**

As at 26 April 2024 (being the last practicable date prior to the date of this announcement) neither Bidco, nor any of its directors, nor, so far as Bidco is aware, any person treated as acting in concert (within the meaning of the Takeover Code) with it for the purposes of the Acquisition: (i) had any interest in or right to subscribe for or had borrowed or lent any Hipgnosis Shares or securities convertible or exchangeable into Hipgnosis Shares; or (ii) had any short positions in respect of relevant securities of Hipgnosis (whether conditional or absolute and whether in the money or otherwise), including any short position under a derivative, any agreement to sell or any delivery obligation or right to require another person to purchase or take delivery; or (iii) has borrowed or lent any relevant securities of Hipgnosis (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 3 on Rule 4.6 of the Takeover Code) save for any borrowed shares which have been either on-lent or resold; or (iv) is a party to any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code.

HSM provides investment advisory services to Hipgnosis and certain of its subsidiaries pursuant to the Investment Advisory Agreement.

It has not been practicable for Bidco to make enquiries of all of its concert parties in advance of the release of this announcement. Therefore, if Bidco becomes aware, following the making of such enquiries, that any of its concert parties have any additional interests in the relevant securities of Hipgnosis, all relevant details in respect of Bidco's concert parties will be included in Bidco's Opening Position Disclosure in accordance with Rule 8.1(a) and Note 2(a)(i) on Rule 8 of the Takeover Code which must be made on or before 12 noon (London time) on 3 May 2024.

## 11 DIRECTORS, MANAGEMENT, EMPLOYEES, PENSIONS, RESEARCH AND DEVELOPMENT AND LOCATIONS

### *Bidco's strategic plans for Hipgnosis*

As set out in paragraph 3 above, Bidco recognises the quality and strength of the music rights catalogues Hipgnosis has acquired and developed, which are complementary to Blackstone's current holdings of comparable assets. The Bidco Board believes that the Acquisition provides an exciting path forward to continue building on Blackstone's existing interests and to utilise Blackstone's expertise in this space to further develop the potential of Hipgnosis' portfolio.

Following completion of the Acquisition, and subject to the strategic evaluation described below, Bidco's primary intention is that the Hipgnosis Group will be integrated with Blackstone's existing music rights investment portfolio company, Hipgnosis Songs Assets, but Blackstone may continue to hold Hipgnosis as a standalone investment depending on the outcome of such strategic evaluation. In addition, it is expected that, following completion of the Acquisition, Bidco will undertake an internal group reorganisation of the Hipgnosis Group to simplify the corporate structure.

Following completion of the Acquisition, Bidco intends to build on its confirmatory due diligence exercise and continue to work with HSM to formulate a detailed strategy for the Hipgnosis Group and its business as well as its locations of business. This will include determining the basis of any internal group reorganisation to rationalise the corporate structure of the Hipgnosis Group in light of the significant number of subsidiary entities within the Hipgnosis Group as the corollary of a series of acquisitions of holding companies in the process of growing the Hipgnosis Group's portfolio of song rights. This strategic evaluation will also include formulation of Bidco's strategy for Hipgnosis' US songs administration business, Hipgnosis Songs Group LLC ("**HSG**"), which is the only entity within the Hipgnosis Group that has employees. The assessment for HSG will contemplate continuing to hold the business, making a disposal (or disposals) in respect of the business, and/or a restructuring of the business. Bidco has no intention to reduce headcount in the Hipgnosis Group, however in the event that Bidco pursues a restructuring of HSG, this could result in a headcount reduction at HSG. Bidco expects that the necessary evaluation to finalise its strategy for Hipgnosis will be completed within approximately six to nine months from the completion of the Acquisition.

### *The Investment Adviser, employees and management*

Bidco attaches great importance to the skill and experience of HSM's management and employees and recognises the contributions they have made to the development of the Hipgnosis portfolio and the business. It is therefore anticipated that HSM will continue to be involved in managing the assets owned by Hipgnosis.

The asset management relationship between Hipgnosis and HSM will be reconfigured to take into account Hipgnosis' post-acquisition status in private ownership and / or to

reflect the potential combination with the assets of Hipgnosis Songs Assets described above.

### ***Existing employment rights and pensions***

Hipgnosis currently employs 34 employees, all of which are employed by HSG, and offers a 401k plan to employees of the Hipgnosis Group. Hipgnosis does not operate a defined benefit pension plan. Subject to the outcome of the strategic evaluation and the ultimate course of action to be implemented regarding HSG, Bidco has no intentions to reduce headcount of the Hipgnosis Group. Upon and following completion of the Acquisition, Bidco intends to align the conditions of employment of Hipgnosis' management with those in place in respect of other Blackstone portfolio companies and confirms that it intends to safeguard fully the existing contractual and statutory employment rights of all Hipgnosis Group employees.

It is intended that, with effect from completion of the Acquisition, each of the non-executive members of the Hipgnosis Board shall resign from their office as a director of Hipgnosis.

### ***Management incentive arrangements***

Bidco has not entered into, and has not had discussions on proposals to enter into, any form of incentivisation arrangements with any Hipgnosis Group employees.

### ***Headquarters, locations, fixed assets and research and development***

Subject to the outcome of the strategic review, Bidco does not currently have any intention to terminate the leases on any of the Hipgnosis Group premises in Tennessee, California, New York or its registered office in London.

Other than its registered office, Hipgnosis has no fixed place of business, fixed assets (other than those held in its music catalogues and other investments), research and development function or headquarters or headquarter functions.

### ***Trading Facilities***

The Hipgnosis Shares are currently listed on the Premium Segment of the Official List and admitted to trading on the Main Market of the London Stock Exchange. As set out in paragraph 13, applications will be made for the cancellation of the listing of the Hipgnosis Shares on the Official List and the cancellation of trading of Hipgnosis Shares on the London Stock Exchange.

### ***Financing***

Bidco will procure the repayment of Hipgnosis' existing debt facility arrangements on completion of the Acquisition.

### ***No post-offer undertakings***

No statements in this paragraph 11 are "post-offer undertakings" for the purposes of Rule 19.5 of the Takeover Code.

In considering the recommendation of the Acquisition to Hipgnosis Shareholders, the Hipgnosis Directors have given due consideration to Bidco's intentions for Hipgnosis set out above.

## 12 OFFER PROCESS

It is intended that the Acquisition is subject to the Conditions and certain further terms referred to in Appendix 1 to this announcement and to the full terms and conditions to be set out in the Offer Document (or, if the Acquisition is implemented by means of a Scheme, the Scheme Document), and that the Acquisition will only complete if, among other things, the following events occur on or before the Long Stop Date (or such later date as the Bidco and Hipgnosis may, with the consent of the Panel, agree):

- valid acceptances are received (and not validly withdrawn) by not later than 1.00 p.m. (London time) on the unconditional date (or such later time(s) and/or (date(s) as Bidco may, with the consent of the Panel, decide) in respect of such number of Hipgnosis Shares as shall, when aggregated with any Hipgnosis Shares acquired or unconditionally agreed to be acquired (whether pursuant to the Offer or otherwise) by Bidco, represent Hipgnosis Shares carrying not less than 55 per cent. of the voting rights then exercisable at a general meeting of Hipgnosis Shareholders (or such lower percentage as Bidco may decide), provided that Bidco shall hold or have acquired or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, Hipgnosis Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Hipgnosis (the “**Acceptance Condition**”).

Unless the Panel agrees otherwise, the Acceptance Condition shall only be capable of being satisfied when all other Conditions have been satisfied or waived.

The Condition in paragraph 1 of Appendix 1 to this announcement provide that the Offer will lapse (under the authority of Rule 13.5(b) of the Takeover Code) if:

- the Offer does not become and is not declared unconditional by 11.59 p.m. on the Long Stop Date (or such later date as Bidco and Hipgnosis may, with the consent of the Panel, agree).

The Acquisition is currently expected to complete during the third quarter of 2024, subject to the satisfaction or (where applicable) waiver of the Conditions. An expected timetable of key events relating to the Acquisition will be set out in the Offer Document.

It is expected that the Offer Document, containing further information about the Acquisition and specifying the actions to be taken by Hipgnosis Shareholders in respect of the Offer, will be published (with the accompanying form of acceptance) as soon as practicable and in any event within 28 days of this announcement. “Day 60” of the Takeover Code timetable will be the day falling 60 days after publication of the Offer Document (or such other date as may be determined by Bidco with the agreement of the Panel to be the last date for fulfilment of the Acceptance Condition).

### **13 DELISTING, CANCELLATION OF TRADING AND COMPULSORY ACQUISITION AND SURRENDER OF FUND REGISTRATION(S)**

If the Offer becomes, or is declared, unconditional and Bidco has received valid acceptances (which have not been validly withdrawn) in respect of such number of Hipgnosis Shares as shall, when aggregated with any Hipgnosis Shares acquired or unconditionally agreed to be acquired (whether pursuant to the Offer or otherwise) by Bidco, represent Hipgnosis Shares carrying not less than: (a) in respect of (i) and (ii) below, 75 per cent.; and (b) in respect of (iii) below, 90 per cent., in each case of the voting rights then exercisable at a general meeting of Hipgnosis Shareholders, Bidco intends to (i) make a request to the FCA to cancel the listing of the Hipgnosis Shares from the Official List; (ii) make a request to the London Stock Exchange to cancel the trading of Hipgnosis Shares on its Main Market; (iii) exercise its rights to apply the provisions of Part XVIII of the Companies Law so as to acquire compulsorily the remaining Hipgnosis Shares in respect of which the Offer has not been accepted; and (iv) surrender Hipgnosis' registration with the GFSC as a closed ended collective investment scheme and as a self-managed AIF under the EU AIFM Directive and the UK AIFMD.

### **14 DOCUMENTS**

Copies of the following documents will be available promptly, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Hipgnosis' website at <https://communications.singercm.com/p/4UWI-EVY/blackstone-recommended-offer-hipgnosis> and on Bidco's website at <https://www.announcement-documents.com/> in any event by no later than noon on the Business Day following this announcement:

- this announcement;
- the Confidentiality Agreement;
- the Cooperation Agreement;
- the documents entered into for the financing of the Acquisition referred to in paragraph 8 above; and
- the consent letters from Jefferies, Singer Capital Markets and Shot Tower to being named in this announcement.

Neither the content of the website referred to in this announcement, nor any website accessible from any hyperlinks set out in this announcement, are incorporated into or form part of this announcement.

### **15 GENERAL**

Bidco reserves the right to elect (with the consent of the Panel and subject to the terms of the Cooperation Agreement) to implement the acquisition of the Hipgnosis Shares by way of a Scheme as an alternative to the Offer. In such event, the Scheme will be implemented on substantially the same terms, so far as applicable, as those which would apply to the Offer.

Investors should be aware that Bidco may purchase Hipgnosis Shares otherwise than under the Offer, including pursuant to privately negotiated purchases.

The Acquisition will be on the terms and subject to the conditions set out herein and in Appendix 1, and to be set out in the Offer Document. The bases and sources for certain financial information contained in this announcement are set out in Appendix 2. Certain definitions and terms used in this announcement are set out in Appendix 3. The formal Offer Document will be sent to shareholders of Hipgnosis within 28 days of this announcement (or on such later date as may be agreed with Hipgnosis and the Panel).

Jefferies (as sole financial adviser to Bidco) and Singer Capital Markets (as sole financial adviser to Hipgnosis) have each given and not withdrawn their consent to the publication of this announcement with the inclusion herein of the references to their names in the form and context in which they appear.

This announcement does not constitute an offer or an invitation to purchase or subscribe for any securities.

## **Enquiries**

**Jefferies (Financial Adviser to Bidco and Blackstone)** **+44 207 029 8000**

Philip Noblet / Chris Cottrell / Harry Le May / Stuart Klein

**Teneo (Financial PR Adviser to Bidco and Blackstone)** **+44 207 260 2700**

James Macey White / Ed Cropley

**Hipgnosis** **+44 207 496 3000**

Robert Naylor, Chairman via Singer Capital Markets

**Singer Capital Markets (Sole Rule 3 Adviser, Financial Adviser and Corporate Broker to Hipgnosis)** **+44 207 496 3000**

James Moat / Alaina Wong / Sam Butcher / Jalini Kalaravy

**Shot Tower Capital LLC (Valuer and Strategic Adviser to Hipgnosis)** **+1 410 376 7900**



David Dunn / Robert Law / Rick Roebuck / Will  
Ponsi

**Headland Consultancy (PR Adviser to Hipgnosis)**

**+44 203 805 4822**

Susanna Voyle / Charlie Twigg

Kirkland & Ellis International LLP is acting as legal adviser to Bidco and Blackstone in connection with the Acquisition. Ogier (Guernsey) LLP is acting as Guernsey legal adviser to Bidco.

Shoosmiths LLP is acting as UK legal adviser in connection with the Acquisition. Carey Olsen (Guernsey) LLP is acting as Guernsey legal adviser to Hipgnosis.

### **Further information**

*Jefferies International Limited (“Jefferies”), which is authorised and regulated in the UK by the FCA, is acting as financial adviser to Blackstone and Bidco and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Blackstone and Bidco for providing the protections offered to clients of Jefferies or for providing advice in connection with any matter referred to in this announcement. Neither Jefferies nor any of its affiliates (nor their respective directors, officers, employees or agents) owes or accepts any duty, liability or responsibility whatsoever (whether direct or indirect, whether in contract, in tort, under statute or otherwise) to any person who is not a client of Jefferies in connection with this announcement, any statement contained herein, the Offer or otherwise. No representation or warranty, express or implied, is made by Jefferies as to the contents of this announcement.*

*Singer Capital Markets Advisory LLP (“Singer Capital Markets”), which is authorised and regulated in the United Kingdom by the FCA, is acting as sole Rule 3 adviser, financial adviser and corporate broker exclusively for Hipgnosis and no one else in connection with the matters described in this announcement and will not be responsible to anyone other than Hipgnosis for providing the protections afforded to clients of Singer Capital Markets nor for providing advice in connection with the matters referred to herein.*

*This announcement is for information purposes only and is not intended to, and does not, constitute, or form part of, an offer, invitation or the solicitation of an offer to purchase, otherwise acquire, subscribe for, sell or otherwise dispose of, any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Acquisition or otherwise, nor shall there be any sale, issuance or transfer of securities of Hipgnosis in any jurisdiction in contravention of applicable law. The Acquisition will be implemented solely pursuant to the terms of the Offer Document (or, if the Acquisition is implemented by way of a Scheme, the Scheme Document), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the Acquisition. Any response in relation to the Acquisition, or if the Acquisition is implemented by way of a Scheme, any vote in respect of the Scheme should be made only on the basis of the information contained in the Offer Document (or, if the Acquisition is implemented by way of a Scheme, the Scheme Document).*

*This announcement does not constitute a prospectus, prospectus equivalent document or exempted document.*

*This announcement contains inside information in relation to Hipgnosis for the purposes of Article 7 of the Market Abuse Regulation. Hipgnosis' Legal Entity Identifier is 213800XJIPNDVKXMOC11.*

***If you are in any doubt about the contents of this announcement or the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, accountant or independent financial adviser duly authorised under the Financial Services and Markets Act 2000 (as amended) if you are resident in the United Kingdom or, if not, from another appropriately authorised independent financial adviser.***

### **Overseas shareholders**

*The release, publication or distribution of this announcement in or into jurisdictions other than the UK may be restricted by law and therefore any persons who are subject to the law of any jurisdiction other than the UK should inform themselves of, and observe, any applicable legal or regulatory requirements. Any failure to comply with such requirements may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. This announcement has been prepared in accordance with and for the purpose of complying with English law, Guernsey law, the Takeover Code, the Market Abuse Regulation and the Disclosure Guidance and Transparency Rules and information disclosed may not be the same as that which would have been prepared in accordance with the laws of jurisdictions outside England.*

*The availability of the Acquisition to Hipgnosis Shareholders who are not resident in and citizens of the UK may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in the UK should inform themselves of, and observe, any applicable legal or regulatory requirements of their jurisdictions. Any failure to comply with the applicable restrictions may constitute a violation of the securities laws of any such jurisdiction. To the fullest extent permitted by applicable law, the companies and persons involved in the Acquisition disclaim any responsibility or liability for the violation of such restrictions by any person. Further details in relation to Overseas Shareholders will be contained in the Offer Document (or, if the Acquisition is implemented by way of a Scheme, the Scheme Document).*

*Unless otherwise determined by Bidco or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, in whole or in part, directly or indirectly, in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction and no person may vote in favour of the Acquisition by any such use, means, instrumentality or from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Copies of this announcement and any formal documentation relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in or into or from any Restricted Jurisdiction and persons receiving such documents (including, without limitation, agents, custodians, nominees and trustees) must not mail or otherwise forward, distribute or send it in or into or from any Restricted Jurisdiction. Doing so may render invalid*

*any related purported vote in respect of the Acquisition. Unless otherwise permitted by applicable law and regulation, the Offer may not be made directly or indirectly, in or into, or by the use of mails or any means or instrumentality (including, but not limited to, facsimile, e-mail or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or of any facility of a national, state or other securities exchange of any Restricted Jurisdiction and the Offer may not be capable of acceptance by any such use, means, instrumentality or facilities.*

*Further details in relation to Overseas Shareholders will be included in the Offer Document (or, if the Acquisition is implemented by way of a Scheme, the Scheme Document).*

### **Notice to U.S. Hipgnosis Shareholders**

*The Acquisition relates to the shares of a Guernsey company with a listing on the London Stock Exchange and is being made by means of takeover offer. A transaction effected by means of a takeover offer or, if the Acquisition is to be implemented by means of a Scheme, a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the U.S. Securities Exchange Act of 1934 (the “U.S. Exchange Act”). Accordingly, the Acquisition is subject to the disclosure requirements and practices applicable in Guernsey to takeover offers and schemes of arrangement which differ from the disclosure requirements of the U.S. tender offer and proxy solicitation rules. The financial information included in this announcement has been prepared in accordance with generally accepted accounting principles of the UK and thus may not be comparable to financial information of U.S. companies or companies whose financial statements are prepared in accordance with generally accepted accounting principles in the United States.*

*If, in the future, Bidco exercises its right to implement the Acquisition by way of an Offer, which is to be made into the United States, such Offer will be made in compliance with the applicable U.S. laws and regulations.*

*It may be difficult for U.S. holders of Hipgnosis Shares to enforce their rights and any claim arising out of the U.S. federal laws, since Bidco and Hipgnosis are located in a non-U.S. jurisdiction, and some or all of their officers and directors may be residents of a non-U.S. jurisdiction. U.S. holders of Hipgnosis Shares may not be able to sue a non-U.S. company or its officers or directors in a non-U.S. court for violations of the U.S. securities laws. Further, it may be difficult to compel a non-U.S. company and its affiliates to subject themselves to a U.S. court’s judgement.*

*In accordance with normal UK practice and pursuant to Rule 14e-5(b) of the U.S. Exchange Act, Blackstone or its nominees, or their brokers (acting as agents), may from time to time make certain purchases of, or arrangements to purchase, Hipgnosis Shares outside of the U.S., other than pursuant to the Acquisition, until the date on which completion of the Acquisition occurs, lapses or is otherwise withdrawn. Also, in accordance with Rule 14e-5(b) of the U.S. Exchange Act, Jefferies will continue to act as an exempt principal trader in Hipgnosis shares on the London Stock Exchange. These purchases may occur either in the open market at prevailing prices or in private transactions at negotiated prices. Any information about such purchases will be disclosed as required in the United Kingdom, will be reported to a Regulatory Information Service and will be available on the London Stock Exchange website, [www.londonstockexchange.com](http://www.londonstockexchange.com).*

*U.S. Hipgnosis Shareholders also should be aware that the transaction contemplated herein may have tax consequences in the U.S. and, that such consequences, if any, are not described herein. U.S. Hipgnosis Shareholders are urged to consult with legal, tax and financial advisers in connection with making a decision regarding this transaction.*

### **Forward looking statements**

*This announcement (including information incorporated by reference in this announcement), statements made regarding the Acquisition, and other information published by Bidco and Hipgnosis contain statements which are, or may be deemed to be, “forward-looking statements”. Forward-looking statements are prospective in nature and are not based on historical facts, but rather on current expectations and projections of the management of Bidco and Hipgnosis about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements.*

*The forward-looking statements contained in this announcement include statements relating to the expected effects of the Acquisition on Bidco and Hipgnosis (including their future prospects, developments and strategies), the expected timing and scope of the Acquisition and other statements other than historical facts. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as “prepares”, “plans”, “expects” or “does not expect”, “is expected”, “is subject to”, “budget”, “projects”, “synergy”, “strategy”, “scheduled”, “goal”, “estimates”, “forecasts”, “cost-saving”, “intends”, “target”, “aims”, “anticipates”, “continues”, or “does not anticipate”, or “believes”, or variations of such words and phrases or statements that certain actions, events or results “may”, “could”, “should”, “would”, “might” or “will” be taken, occur or be achieved. Forward looking statements may include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of Bidco’s, Hipgnosis’, any member of the Bidco Group’s or any member of the Hipgnosis Group’s operations and potential synergies resulting from the Acquisition; and (iii) the effects of global economic conditions and governmental regulation on Bidco’s, Hipgnosis’, any member of the Bidco Group’s or any member of the Hipgnosis Group’s business.*

*Although Bidco and Hipgnosis believe that the expectations reflected in such forward-looking statements are reasonable, Bidco and Hipgnosis can give no assurance that such expectations will prove to be correct. By their nature, forward-looking statements involve risk and uncertainty because they relate to events and depend on circumstances that will occur in the future. There are a number of factors that could cause actual results and developments to differ materially from those expressed or implied by such forward-looking statements.*

*These factors include, but are not limited to: the ability to complete the Acquisition; the ability to obtain requisite regulatory and shareholder approvals and the satisfaction of other Conditions on the proposed terms and schedule; changes in the global political, economic, business and competitive environments and in market and regulatory forces; changes in future exchange and interest rates; changes in tax rates; future business combinations or disposals; changes in general economic and business conditions; changes in the behaviour of other market participants; changes in the anticipated benefits from the Acquisition not being realised as a result of changes in general economic and market conditions in the countries in which Bidco and Hipgnosis operate, weak, volatile or illiquid capital and/or credit markets, changes*

*in tax rates, interest rate and currency value fluctuations, the degree of competition in the geographic and business areas in which Bidco and Hipgnosis operate and changes in laws or in supervisory expectations or requirements. Other unknown or unpredictable factors could cause actual results to differ materially from those expected, estimated or projected in the forward-looking statements. If any one or more of these risks or uncertainties materialises or if any one or more of the assumptions proves incorrect, actual results may differ materially from those expected, estimated or projected. Such forward-looking statements should therefore be construed in the light of such factors. Neither Bidco nor Hipgnosis, nor any of their respective associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place any reliance on these forward-looking statements.*

*Specifically, statements of estimated cost savings and synergies related to future actions and circumstances which, by their nature, involve risks, uncertainties and contingencies. As a result, the cost savings and synergies referred to may not be achieved, may be achieved later or sooner than estimated, or those achieved could be materially different from those estimated. Due to the scale of the Hipgnosis Group, there may be additional changes to the Hipgnosis Group's operations. As a result, and given the fact that the changes relate to the future, the resulting cost synergies may be materially greater or less than those estimated.*

*Other than in accordance with their legal or regulatory obligations, neither Bidco nor Hipgnosis is under any obligation, and Bidco and Hipgnosis expressly disclaim any intention or obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

### **Dealing and opening position disclosure requirements**

*Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1% or more of any class of relevant securities of an offeree company or of any securities exchange offeror (being any offeror other than an offeror in respect of which it has been announced that its offer is, or is likely to be, solely in cash) must make an Opening Position Disclosure following the commencement of the offer period and, if later, following the announcement in which any securities exchange offeror is first identified. An Opening Position Disclosure must contain details of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s). An Opening Position Disclosure by a person to whom Rule 8.3(a) of the Takeover Code applies must be made by no later than 3.30 pm (London time) on the 10th business day following the commencement of the offer period and, if appropriate, by no later than 3.30 pm (London time) on the 10th business day following the announcement in which any securities exchange offeror is first identified. Relevant persons who deal in the relevant securities of the offeree company or of a securities exchange offeror prior to the deadline for making an Opening Position Disclosure must instead make a Dealing Disclosure.*

*Under Rule 8.3(b) of the Takeover Code, any person who is, or becomes, interested in 1% or more of any class of relevant securities of the offeree company or of any securities exchange offeror must make a Dealing Disclosure if the person deals in any relevant securities of the offeree company or of any securities exchange offeror. A Dealing Disclosure must contain details of the dealing concerned and of the person's interests and short positions in, and rights to subscribe for, any relevant securities of each of (i) the offeree company and (ii) any securities exchange offeror(s), save to the extent that these details have previously been disclosed under*

*Rule 8. A Dealing Disclosure by a person to whom Rule 8.3(b) applies must be made by no later than 3.30 pm (London time) on the business day following the date of the relevant dealing.*

*If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire or control an interest in relevant securities of an offeree company or a securities exchange offeror, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Opening Position Disclosures must also be made by the offeree company and by any offeror and Dealing Disclosures must also be made by the offeree company, by any offeror and by any persons acting in concert with any of them (see Rules 8.1, 8.2 and 8.4).*

*Details of the offeree and offeror companies in respect of whose relevant securities Opening Position Disclosures and Dealing Disclosures must be made can be found in the Disclosure Table on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk), including details of the number of relevant securities in issue, when the offer period commenced and when any offeror was first identified. You should contact the Panel's Market Surveillance Unit on +44 (0)20 7638 0129 if you are in any doubt as to whether you are required to make an Opening Position Disclosure or a Dealing Disclosure.*

### **Publication on a website**

*In accordance with Rule 26.1 of the Takeover Code, a copy of this announcement and the documents required to be published under Rule 26 of the Takeover Code will be made available, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on Hipgnosis' website at <https://communications.singercm.com/p/4UWI-EVY/blackstone-recommended-offer-hipgnosis> and on Bidco's website at <https://www.announcement-documents.com/> by no later than 12 noon (London time) on the Business Day following this announcement. For the avoidance of doubt, neither the content of this website nor of any website accessible from any hyperlinks set out in this announcement are incorporated by reference or form part of this announcement.*

### **No profit forecasts, estimates or quantified benefits statements**

*No statement in this announcement is intended as a profit forecast, profit estimate or quantified benefits statement for any period and no statement in this announcement should be interpreted to mean that earnings or earnings per share for Hipgnosis for the current or future financial years would necessarily match or exceed the historical published earnings or earnings per share for Hipgnosis.*

### **General**

*Bidco reserves the right to elect to implement the Acquisition by way of a Scheme as an alternative to the Scheme, subject to the Panel's consent and (while the Cooperation Agreement is continuing) to the terms of the Cooperation Agreement. In such event, such Scheme will be implemented on substantially the same terms and conditions so far as applicable, as those which would apply to the Offer (subject to appropriate amendments, and for so long as the Cooperation Agreement is continuing and the Scheme arises in accordance with the terms of the Cooperation Agreement).*

*Investors should be aware that Bidco may purchase Hipgnosis Shares otherwise than under any Offer or the Scheme, including pursuant to privately negotiated purchases.*

### **Requesting hard copy documents**

*In accordance with Rule 30.3 of the Takeover Code, Hipgnosis Shareholders and persons with information rights may request a hard copy of this announcement by contacting Hipgnosis' registrars, Computershare Investor Services (Guernsey) Limited, or by calling 0370 707 4040 or from overseas +44 370 707 4040. Calls are charged at the standard geographical rate and will vary by provider. Calls outside the United Kingdom or Guernsey will be charged at the applicable international rate. Lines are open between 8.30 a.m. to 5.30 p.m. (London time), Monday to Friday (except public holidays in the UK and Guernsey). Please note that Computershare Investor Services (Guernsey) Limited cannot provide any financial, legal or tax advice. Calls may be recorded and monitored for security and training purposes. For persons who receive a copy of this announcement in electronic form or via a website notification, a hard copy of this announcement will not be sent unless so requested. Such persons may also request that all future documents, announcements and information to be sent to them in relation to the Acquisition should be in hard copy form.*

### **Electronic communications**

*Please be aware that addresses, electronic addresses and certain other information provided by Hipgnosis Shareholders, persons with information rights and other relevant persons for the receipt of communications from Hipgnosis may be provided to Bidco during the offer period as required under Section 4 of Appendix 4 of the Takeover Code to comply with Rule 2.11(c) of the Takeover Code.*

### **Rounding**

*Certain figures included in this announcement have been subjected to rounding adjustments. Accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of figures that precede them.*

### **Disclaimer**

*The Acquisition will be subject to English law, the jurisdiction of the Court, and the applicable requirements of the GFSC, the Companies Law, the Takeover Code, the Panel and the London Stock Exchange.*

**Appendix 1**  
**Conditions and Further Terms of the Transaction**

**Part A**  
***Conditions to the Acquisition***

Conditions of the Offer

1. The Offer will be conditional on, among other things, valid acceptances being received (and not validly withdrawn) by not later than 1.00 p.m. (London time) on the unconditional date (or such later time(s) and/or date(s) as Bidco may, with the consent of the Panel, decide) in respect of such number of Hipgnosis Shares as shall, when aggregated with any Hipgnosis Shares acquired or unconditionally agreed to be acquired (whether pursuant to the Offer or otherwise) by Bidco, represent Hipgnosis Shares carrying not less than 55 per cent. of the voting rights then exercisable at a general meeting of Hipgnosis Shareholders (or such lower percentage as Bidco may decide), provided that Bidco shall hold or have acquired or agreed to acquire (whether pursuant to the Offer or otherwise), directly or indirectly, Hipgnosis Shares carrying in aggregate more than 50 per cent. of the voting rights then normally exercisable at a general meeting of Hipgnosis (the “**Acceptance Condition**”). Unless the Panel agrees otherwise, the Acceptance Condition shall only be capable of being satisfied when all other Conditions have been satisfied or waived.

For the purposes of this Condition 1:

- 1.1 valid acceptances shall be deemed to have been received in respect of Hipgnosis Shares which are treated for the purposes of the Companies Law as having been acquired or contracted to be acquired by Bidco by virtue of acceptances of the Offer or otherwise; and
- 1.2 all percentages of voting rights and share capital are to be calculated by reference to the percentage held in issue excluding any and all shares held as treasury shares by Hipgnosis from time to time.

General Conditions

2. In addition, subject as stated in Part B of this Appendix 1, Bidco and Hipgnosis have agreed that the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to complete the Acquisition will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived:

Anti-trust and regulatory clearances

- 2.1 subject to: (i) the terms of Part B of this Appendix 1, and (ii) the requirements of the Panel, the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to complete the Acquisition will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived prior to completion of the Acquisition:

*United Kingdom*



- 2.1.1 insofar as the Competition and Markets Authority (“**CMA**”) requests information in relation to the Acquisition pursuant to s.5 of the Enterprise Act 2002 (the “**Enterprise Act**”) or in response to a briefing paper, the CMA shall have confirmed in writing that it has no further questions in relation to the Acquisition, and at the time all other Conditions to the Acquisition are satisfied shall not have raised any outstanding questions or otherwise indicated that it is considering whether to open an investigation; or shall otherwise have cleared the Acquisition pursuant to the Enterprise Act.

*United States of America*

- 2.1.2 in so far as the Acquisition satisfies the applicable premerger notification thresholds, all necessary notifications and filings in respect of the Acquisition shall have been made under the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended) (the “**HSR Act**”) and the regulations promulgated thereunder, and all applicable waiting periods under the HSR Act and those regulations (including any agreements with the U.S. Federal Trade Commission or the Antitrust Division of the U.S. Department of Justice to delay consummation of the Acquisition) shall have expired, lapsed or been terminated

Notifications, waiting periods and Clearances

- 2.2 In addition to Condition 2.1 above, subject to: (i) the terms of Part B of this Appendix 1, and (ii) the requirements of the Panel, the Acquisition will be conditional upon the following Conditions and, accordingly, the necessary actions to complete the Acquisition will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived prior to completion of the Acquisition:

- 2.2.1 all material notifications, filings and/or applications which are deemed by Bidco to be necessary in any relevant jurisdiction under applicable legislation or regulation having been made and all necessary waiting and other time periods (including any extensions thereof) under any applicable legislation or regulation of any relevant jurisdiction having expired, lapsed or been terminated (as appropriate), and all statutory or regulatory obligations in any relevant jurisdiction having been complied with, in each case in connection with the Acquisition or the acquisition, or proposed acquisition, of any shares or other securities (or the equivalent) in, or control of, Hipgnosis or any other member of the Wider Hipgnosis Group by any member of the Wider Bidco Group; and
- 2.2.2 all other Clearances which are deemed by Bidco to be necessary in any relevant jurisdiction for or in respect of the Acquisition (or its implementation) or the acquisition, or proposed acquisition, of any shares or other securities (or the equivalent) in, or control of, Hipgnosis or any other member of the Wider Hipgnosis Group by Bidco or any member of the Wider Bidco Group, having been obtained on terms and

in a form reasonably satisfactory to Bidco from all appropriate Relevant Authorities or (without prejudice to the generality of the foregoing) from any persons or bodies with whom any member of the Wider Bidco Group or any other member of the Wider Hipgnosis Group has entered into contractual arrangements, and all such Clearances, together with all Clearances necessary for any member of the Wider Hipgnosis Group to carry on its business, remaining in full force and effect at the time at which the Offer becomes otherwise unconditional in all respects, and there being no notice or intimation of any intention to revoke, suspend, restrict, modify or not to renew such Clearances;

### General Regulatory

- 2.3 No Relevant Authority, having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, without having withdrawn the same), or having required any action to be taken or otherwise having done anything or having enacted, issued, made or proposed any statute, regulation, decision or order or change to published practice and there not continuing to be outstanding or in effect any statute, regulation, decision or order, whether temporary, preliminary or permanent, which has the effect of or might:
- 2.3.1 make the Acquisition, its implementation or the acquisition or proposed acquisition of any shares or other securities (or the equivalent) in, or control or management of, any member of the Wider Hipgnosis Group by any member of the Wider Bidco Group and/ or its implementation void, voidable, illegal and/or unenforceable under the laws of any relevant jurisdiction, or otherwise directly or indirectly prevent, prohibit, or restrain, restrict, materially delay or otherwise materially interfere with the implementation of, or impose material additional conditions or obligations with respect to, or otherwise challenge, impede or interfere with the Acquisition (or its implementation) or such acquisition, or require material amendment to the terms of the Acquisition or the acquisition of any shares or other securities (or the equivalent) in, or control or management of, any member of the Wider Hipgnosis Group by any member of the Wider Bidco Group;
  - 2.3.2 require, prevent or materially delay the divestiture or alter the terms envisaged for such divestiture by any member of the Wider Bidco Group or by any member of the Wider Hipgnosis Group of all or any part of their respective businesses, assets or property or impose any limitation on the ability of all or any of them to conduct their businesses (or any part thereof) or to own, control or manage any of their assets or properties (or any part thereof);
  - 2.3.3 impose any material limitation on, or result in a material delay in, the ability of any member of the Wider Bidco Group directly or indirectly to acquire or hold or to exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in

- Hipgnosis (or any member of the Wider Hipgnosis Group) or on the ability of any member of the Wider Hipgnosis Group or any member of the Wider Bidco Group directly or indirectly to hold or exercise effectively any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise management control over, any member of the Wider Hipgnosis Group;
- 2.3.4 other than in the context of the Offer or, if applicable, the Companies Law, require any member of the Wider Bidco Group or the Wider Hipgnosis Group to acquire or offer to acquire any shares, other securities (or the equivalent) or interest in any member of the Wider Hipgnosis Group or any asset owned by any third party;
  - 2.3.5 require, prevent or materially delay a divestiture, or alter the terms envisaged for any proposed divestiture, by any member of the Wider Bidco Group of any shares or other securities (or the equivalent) in any member of the Wider Hipgnosis Group;
  - 2.3.6 result in any member of the Wider Hipgnosis Group ceasing to be able to carry on business under any name under which it presently carries on business;
  - 2.3.7 impose any material limitation on the ability of any member of the Wider Bidco Group or any member of the Wider Hipgnosis Group to conduct, integrate or co-ordinate all or any part of their respective businesses with all or any part of the business of any other member of the Wider Bidco Group and/or the Wider Hipgnosis Group (as applicable); and
  - 2.3.8 except as Disclosed, otherwise adversely affect the business, assets, financial or trading position or prospects of any member of the Wider Hipgnosis Group or any member of the Wider Bidco Group.

#### Confirmation of absence of adverse circumstances

- 2.4 except as Disclosed, there being no provision of any arrangement, agreement, licence, permit, franchise, lease or other instrument to which any member of the Wider Hipgnosis Group is a party or by or to which any such member or any of its assets is or may be bound, entitled or be subject or any event or circumstance which, as a consequence of the Acquisition or the proposed acquisition by any member of the Wider Bidco Group of any shares or other securities in Hipgnosis or because of a change in the control or management of any member of the Wider Hipgnosis Group or otherwise, would or might reasonably be expected to result in, in each case to an extent which is material in the context of the Wider Hipgnosis Group taken as a whole or to the financing of the Acquisition:
  - 2.4.1 any monies borrowed by, or any other indebtedness, actual or contingent of, or any grant available to, any member of the Wider Hipgnosis Group being or becoming repayable, or capable of being declared repayable, immediately or prior to its or their stated maturity date or repayment date, or the ability of any such member to borrow

monies or incur any indebtedness being withdrawn or inhibited or being capable of becoming or being withdrawn or inhibited;

- 2.4.2 the rights, liabilities, obligations, interests or business of any member of the Wider Hipgnosis Group or any member of the Wider Bidco Group under any such arrangement, agreement, licence, permit, lease or instrument or the interests or business of any member of the Wider Hipgnosis Group or any member of the Wider Bidco Group in or with any other firm or company or body or person (or any agreement or arrangement relating to any such business or interests) being or likely to become terminated or adversely modified or affected or any onerous obligation or liability arising or any adverse action being taken or arising thereunder;
- 2.4.3 any member of the Wider Hipgnosis Group ceasing to be able to carry on business under any name under which it presently carries on business to an extent which is material in the context of the Hipgnosis Group taken as a whole or in the context of the Acquisition;
- 2.4.4 any assets or interests of, or any asset the use of which is enjoyed by, any member of the Wider Hipgnosis Group being or falling to be disposed of or charged or any right arising under which any such asset or interest could be required to be disposed of or charged or could cease to be available to any member of the Wider Hipgnosis Group otherwise than in the ordinary course of business;
- 2.4.5 other than in the ordinary course of business, the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property or assets of any member of the Wider Hipgnosis Group or any such mortgage, charge or other security interest (whenever created, arising or having arisen), becoming enforceable;
- 2.4.6 the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Hipgnosis Group being prejudiced or adversely affected;
- 2.4.7 the creation or acceleration of any material liability (actual or contingent) by any member of the Wider Hipgnosis Group other than trade creditors or other liabilities incurred in the ordinary course of business; or
- 2.4.8 any liability of any member of the Wider Hipgnosis Group to make any severance, termination, bonus or other payment to any of its directors or other officers other than in the ordinary course of business;

No material transactions, claims or changes in the conduct of the business of the Hipgnosis Group

- 2.5 except as Disclosed, no member of the Wider Hipgnosis Group having since 31 March 2023:

- 2.5.1 issued or agreed to issue or authorised or proposed or announced its intention to authorise or propose the issue of additional shares of any class, or securities or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares or convertible securities or transferred or sold or agreed to transfer or sell or authorised or proposed the transfer or sale of Hipgnosis Shares out of treasury (except, where relevant, as between Hipgnosis and wholly-owned subsidiaries of Hipgnosis or between the wholly-owned subsidiaries of Hipgnosis);
- 2.5.2 recommended, declared, paid or made or agreed to recommend, declare, pay or make any bonus issue, dividend or other distribution (whether payable in cash or otherwise) other than to Hipgnosis or one of its wholly-owned subsidiaries;
- 2.5.3 save as between Hipgnosis and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, merged with (by statutory merger or otherwise) or demerged from or acquired any body corporate, partnership or business or acquired or disposed of, or, other than in the ordinary course of business, transferred, mortgaged or charged or created any security interest over, any assets or any right, title or interest in any asset (including shares and trade investments) or authorised, proposed or announced any intention to do so, in each case to an extent which is material in the context of the Wider Hipgnosis Group taken as a whole;
- 2.5.4 save as between Hipgnosis and its wholly-owned subsidiaries or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital other than in the ordinary course of business and to an extent which is material in the context of the Wider Hipgnosis Group taken as a whole;
- 2.5.5 issued, authorised or proposed or announced an intention to authorise or propose the issue of, or made any change in or to the terms of, any debentures or (save in the ordinary course of business and save as between Hipgnosis and its wholly-owned subsidiaries or between such wholly-owned subsidiaries) incurred or increased any indebtedness or become subject to any contingent liability to an extent which is material in the context of the Wider Hipgnosis Group taken as a whole or in the context of the Acquisition;
- 2.5.6 entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary, any contract, transaction, arrangement or commitment (whether in respect of capital expenditure or otherwise) (otherwise than in the ordinary course of business) which is of a long-term, unusual or onerous nature, or which involves or could reasonably be expected to involve an obligation of a nature or magnitude which is or is likely to be materially restrictive on the business of any member of the Wider Hipgnosis Group to an extent which is or is reasonably likely to be material to the Wider Hipgnosis Group taken as a whole;

- 2.5.7 entered into any licence or other disposal of intellectual property rights of any member of the Wider Hipgnosis Group which are material in the context of the Wider Hipgnosis Group and outside the normal course of business;
- 2.5.8 entered into, varied, authorised or proposed entry into or variation of, or announced its intention to enter into or vary the terms of or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, commitment, arrangement or any service agreement with any director or senior executive of the Wider Hipgnosis Group save for salary increases, bonuses or variations of terms in the ordinary course;
- 2.5.9 (i) (excluding the trustee of any pension scheme(s) established by a member of the Wider Hipgnosis Group other than Hipgnosis itself) made, agreed or consented to or procured any significant change to: (a) the terms of any existing trust deeds, rules, policy or other governing documents, or entered into or established any new trust deeds, rules, policy or other governing documents, constituting any pension scheme or other retirement or death benefit arrangement established for the directors, former directors, employees or former employees of any entity in the Wider Hipgnosis Group or their dependants and established by a member of the Wider Hipgnosis Group (a “**Relevant Pension Plan**”); (b) the basis on which benefits accrue, pensions which are payable or the persons entitled to accrue or be paid benefits, under any Relevant Pension Plan; (c) the basis on which the liabilities of any Relevant Pension Plan are funded or valued; or (d) the basis or rate of employer contribution to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider Hipgnosis Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law; or (ii) enter into or propose to enter into one or more bulk annuity contracts in relation to any Relevant Pension Plan; or (iii) carried out any act: (a) which would or could reasonably be expected to lead to the commencement of the winding up of any Relevant Pension Plan; (b) which would or is reasonably likely to create a material debt owed by an employer to any Relevant Pension Plan; (c) which would or might accelerate any obligation on any employer to fund or pay additional contributions to any Relevant Pension Plan; or (d) which would, having regard to the published guidance of the Pensions Regulator give rise directly or indirectly to a liability in respect of a Relevant Pension Plan arising out of the operation of sections 38 and 38A of the Pensions Act 2004 in relation to a Relevant Pension Plan, in each case to the extent which is material in the context of the Wider Hipgnosis Group taken as a whole or in the context of the Acquisition and other than as required in accordance with applicable law;
- 2.5.10 changed the trustee or trustee directors or other fiduciary of any Relevant Pension Plan;

- 2.5.11 entered into, implemented or effected, or authorised, proposed or announced its intention to implement or effect, any joint venture, asset or profit sharing arrangement, partnership, composition, assignment, reconstruction, amalgamation, commitment, scheme or other transaction or arrangement (other than the Offer) otherwise than in the ordinary course of business which is material in the context of the Wider Hipgnosis Group taken as a whole or in the context of the Acquisition;
- 2.5.12 purchased, redeemed or repaid or announced any proposal to purchase, redeem or repay any of its own shares or other securities or reduced made any other change to any part of its share capital to an extent which (other than in the case of Hipgnosis) is material in the context of the Wider Hipgnosis Group taken as a whole;
- 2.5.13 other than with respect to claims between Hipgnosis and its wholly owned subsidiaries (or between such subsidiaries), waived, compromised or settled any claim otherwise than in the ordinary course of business which is material in the context of the Wider Hipgnosis Group taken as a whole or in the context of the Acquisition;
- 2.5.14 made any alteration to its articles of incorporation or other constitutional documents (in each case, other than in connection with the Offer) which is material in the context of the Acquisition;
- 2.5.15 (other than in respect of a member of the Wider Hipgnosis Group which is dormant and was solvent at the relevant time) taken or proposed any steps, corporate action or had any legal proceedings instituted or threatened against it in relation to the suspension of payments, a moratorium of any indebtedness, its winding-up (voluntary or otherwise), dissolution, reorganisation or for the appointment of any administrator, receiver, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed which is material in the context of the Wider Hipgnosis Group taken as a whole or in the context of the Acquisition;
- 2.5.16 been unable, or admitted in writing that it is unable, to pay its debts or commenced negotiations with one or more of its creditors with a view to rescheduling or restructuring any of its indebtedness, or having stopped or suspended (or threatened to stop or suspend) payment of its debts generally or ceased or threatened to cease carrying on all or a substantial part of its business which is material in the context of the Wider Hipgnosis Group taken as a whole or in the context of the Acquisition;
- 2.5.17 entered into any contract, commitment, agreement or arrangement otherwise than in the ordinary course of business or passed any resolution or made any offer (which remains open for acceptance) with

respect to or announced an intention to, or to propose to, effect any of the transactions, matters or events referred to in this Condition;

- 2.5.18 terminated or varied the terms of any agreement or arrangement between any member of the Wider Hipgnosis Group and any other person in a manner which would or might be expected to have a material adverse effect on the financial position of the Wider Hipgnosis Group taken as a whole; or
- 2.5.19 taken (or agreed or proposed to take) any action which requires, or would require, the consent of the Panel or the approval of Hipgnosis Shareholders in general meeting in accordance with, or as contemplated by, Rule 21.1 of the Takeover Code;

No material adverse change

2.6 since 31 March 2023, and except as Disclosed, there having been:

- 2.6.1 no adverse change and no circumstance having arisen which would be expected to result in any adverse change or deterioration in the business, assets, value, financial or trading position, profits, prospects or operational performance of any member of the Wider Hipgnosis Group to an extent which is material to the Wider Hipgnosis Group taken as a whole or to the financing of the Acquisition;
- 2.6.2 no litigation, arbitration proceedings, prosecution or other legal proceedings including, without limitation, with regard to intellectual property rights used by the Wider Hipgnosis Group having been threatened, announced or instituted by or against or remaining outstanding against any member of the Wider Hipgnosis Group or to which any member of the Wider Hipgnosis Group is or may become a party (whether as claimant or defendant or otherwise) which, in any such case, might be expected to have a material adverse effect on the Wider Hipgnosis Group taken as a whole, and no enquiry, review, investigation or enforcement proceedings by, or complaint or reference to, any Relevant Authority against or in respect of any member of the Wider Hipgnosis Group having been threatened, announced or instituted by or against, or remaining outstanding in respect of, any member of the Wider Hipgnosis Group which, in any such case, might be expected to have a material adverse effect on the Wider Hipgnosis Group taken as a whole;
- 2.6.3 no contingent or other liability having arisen, increased or become apparent which is reasonably likely to adversely affect the business, assets, financial or trading position, profits, prospects or operational performance of any member of the Wider Hipgnosis Group to an extent which is material to the Wider Hipgnosis Group taken as a whole;
- 2.6.4 no steps having been taken and no omissions having been made which are reasonably likely to result in the withdrawal, cancellation, termination or modification of any licence held by any member of the



Wider Hipgnosis Group, which is necessary for the proper carrying on of its business and the withdrawal, cancellation, termination or modification of which is material and reasonably likely to have a material adverse effect on the Wider Hipgnosis Group taken as a whole; and

- 2.6.5 no member of the Wider Hipgnosis Group having conducted its business in material breach of any applicable laws and regulations which in any case is material in the context of the Wider Hipgnosis Group taken as a whole;
- 2.7 since 31 March 2023, except as Disclosed, Bidco not having discovered:
  - 2.7.1 that any financial, business or other information concerning the Wider Hipgnosis Group publicly announced or disclosed to any member of the Wider Bidco Group at any time prior to the date of this announcement by or on behalf of any member of the Wider Hipgnosis Group or to any of their advisers is misleading, contains a misrepresentation of fact or omits to state a fact necessary to make that information not misleading and which is, in any case, material in the context of the Wider Hipgnosis Group taken as a whole or in the context of the Acquisition;
  - 2.7.2 that any member of the Wider Hipgnosis Group is subject to any liability, contingent or otherwise and which is material in the context of the Wider Hipgnosis Group taken as a whole; or
  - 2.7.3 any information which affects the import of any information disclosed to Bidco at any time prior to the date of this announcement by or on behalf of any member of the Wider Hipgnosis Group which is material in the context of the Wider Hipgnosis Group taken as a whole;

#### Environmental liabilities

- 2.8 since 31 March 2023, except as Disclosed, Bidco not having discovered that, in relation to any release, emission, accumulation, discharge, disposal or other similar circumstance which has impaired or is likely to impair the environment (including property) or harmed or is likely to harm the health of humans, animals or other living organisms or eco-systems, no past or present member of the Wider Hipgnosis Group, in a manner or to an extent which is material in the context of the Wider Hipgnosis Group, (i) having committed any violation of any applicable laws, statutes, regulations, Clearances, notices or other requirements of any Relevant Authority giving rise to a material liability; and/or (ii) having incurred any material liability (whether actual or contingent) to any Relevant Authority; and/or (iii) being likely to incur any material liability (whether actual or contingent), or being required, to make good, remediate, repair, re-instate or clean up the environment (including any property) in each case of (i), (ii) or (iii) which such liability or requirement would be material to the Wider Hipgnosis Group taken as a whole;

## Intellectual property

- 2.9 except as Disclosed, no circumstance having arisen or event having occurred in relation to any intellectual property owned or used by any member of the Wider Hipgnosis Group which would be reasonably likely to have a material adverse effect on the Wider Hipgnosis Group taken as a whole or is otherwise material in the context of the Acquisition, including:
- 2.9.1 any member of the Wider Hipgnosis Group losing its title to any intellectual property material to its business, or any intellectual property owned by the Wider Hipgnosis Group and material to its business being revoked, cancelled or declared invalid;
  - 2.9.2 any claim being asserted in writing or threatened in writing by any person challenging the ownership of any member of the Wider Hipgnosis Group to, or the validity or effectiveness of, any of its intellectual property; or
  - 2.9.3 any agreement regarding the use of any intellectual property licensed to or by any member of the Wider Hipgnosis Group being terminated or varied;

## Anti-corruption and sanctions

- 2.10 except as Disclosed, Bidco not having discovered that (to an extent that is material in the context of the Wider Hipgnosis Group taken as a whole):
- 2.10.1 any past or present member of the Wider Hipgnosis Group or any person that performs or has performed services for or on behalf of any such company is or has at any time engaged in any activity, practice or conduct (or omitted to take any action) in contravention of the UK Bribery Act 2010, the U.S. Foreign Corrupt Practices Act of 1977, as amended or any other applicable anti-corruption legislation;
  - 2.10.2 any member of the Wider Hipgnosis Group is ineligible to be awarded any contract or business under section 23 of the Public Contracts Regulations 2006 or section 26 of the Utilities Contracts Regulations 2006 (each as amended);
  - 2.10.3 any past or present member of the Wider Hipgnosis Group has engaged in any activity or business with, or made any investments in, or made any payments to any government, entity or individual covered by any of the economic sanctions administered by the United Nations or the European Union (or any of their respective member states) or the United States Office of Foreign Assets Control or any other governmental or supranational body or authority in any jurisdiction; or
  - 2.10.4 a member of the Hipgnosis Group has engaged in a transaction which would cause the Bidco Group to be in breach of any law or regulation on completion of the Acquisition, including the economic sanctions administered by the United States Office of Foreign Assets Control or

HM Treasury & Customs or any government, entity or individual targeted by any of the economic sanctions of the United Nations, United States or the European Union or any of its member states; or

No criminal property

- 2.11 except as Disclosed, Bidco not having discovered that any asset of any member of the Wider Hipgnosis Group constitutes criminal property as defined by section 340(3) of the Proceeds of Crime Act 2002 (but disregarding paragraph (b) of that definition).

**Part B**  
***Further terms of the Acquisition***

1. Subject to the requirements of the Panel and the Takeover Code, Bidco reserves the right in its sole discretion to waive, in whole or in part, all or any of the Conditions set out in Part A of Appendix 1, except Condition 1 which cannot be waived. If a Condition is not satisfied by the relevant deadline specified in the relevant Condition, Bidco shall make an announcement by 8.00 a.m. on the Business Day following such deadline confirming whether it has invoked the relevant Condition, waived the relevant deadlines or agreed with Hipgnosis to extend the relevant deadline.
2. Bidco shall be under no obligation to waive (if capable of waiver), to determine to be or remain satisfied or to treat as fulfilled any of the Conditions in Part A of Appendix 1 above that are capable of waiver by a date earlier than the latest date for the fulfilment of that Condition notwithstanding that the other Conditions of the Acquisition may at such earlier date have been waived or fulfilled and that there are at such earlier date no circumstances indicating that any of such Conditions may not be capable of fulfilment.
3. Under Rule 13.5(a) of the Takeover Code and subject to paragraph 4, Bidco may only invoke a Condition so as to cause the Acquisition not to proceed, to lapse or to be withdrawn with the consent of the Panel. The Panel will normally only give its consent if the circumstances which give rise to the right to invoke the Condition are of material significance to Bidco in the context of the Acquisition. This will be judged by reference to the facts of each case at the time that the relevant circumstances arise.
4. Condition 1 (subject to Rule 12 of the Takeover Code) in Part A of Appendix 1 above, and, if applicable, any condition if the Acquisition is implemented by means of a Scheme, are not subject to Rule 13.5(a) of the Takeover Code.
5. Any Condition that is subject to Rule 13.5(a) of the Takeover Code may be waived by Bidco.
6. If the Panel requires Bidco to make an offer or offers for Hipgnosis Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to the Conditions as are necessary to comply with the provisions of that Rule.
7. Bidco reserves the right to elect to implement the Acquisition by way of a Scheme as an alternative to the Offer, subject to the Panel's consent and (while the Cooperation Agreement is continuing) to the terms of the Cooperation Agreement. In such an event, such Scheme will be implemented on the same terms and conditions so far as applicable, as those which would apply to the Offer.
8. The Acquisition will be subject, *inter alia*, to the Conditions and certain further terms which are set out in this Appendix 1 and to the full terms which will be set out in the Offer Document and such further terms as may be required to comply with the provisions of the Takeover Code and the applicable requirements of the Panel and the London Stock Exchange.
9. Hipgnosis Shares will be acquired by Bidco pursuant to the Acquisition fully paid and free from all liens, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them as at completion of the

Acquisition, including the right to receive and retain all dividends and distributions (if any) declared, made or paid after completion of the Acquisition.

10. If, on or after the date of this announcement and prior to completion of the Acquisition, any dividend and/or distribution is announced, declared, made or paid in respect of the Hipgnosis Shares with a record date prior to completion of the Acquisition, Bidco reserves the right to reduce the consideration payable under the terms of the Acquisition for the Hipgnosis Shares by an amount up to the aggregate amount of such dividend and/or distribution, in which case any reference in this announcement to the consideration payable under the terms of the Acquisition will be deemed to be a reference to the consideration as so reduced. Any exercise by Bidco of its rights referred to in this paragraph 10 shall be the subject of an announcement and, for the avoidance of doubt, shall not be regarded as constituting any revision or variation of the Offer or the Acquisition. In such circumstances, Hipgnosis Shareholders would be entitled to retain any such dividend or distribution.
11. The availability of the Acquisition to persons not resident in the United Kingdom may be affected by the laws or regulatory requirements of the relevant jurisdictions. Persons who are not resident in the United Kingdom should inform themselves about and observe any applicable requirements.
12. The Acquisition will be governed by English law and be subject to the jurisdiction of the Court, to the Conditions set out above and full terms to be set out in the Offer Document. The Acquisition will be subject to the applicable requirements of the GFSC, the Companies Law, the Panel and the London Stock Exchange.
13. Each of the Conditions shall be regarded as a separate Condition and shall not be limited by reference to any other Condition.

## Appendix 2 Sources and Bases of Information

In this announcement, unless otherwise stated or the context otherwise requires, the following sources and bases have been used.

1. The issued ordinary share capital of 1,209,214,286 Hipgnosis Shares is based on 1,209,214,286 Hipgnosis Shares in issue as at 26 April 2024 (being the latest practicable date before this announcement).
2. A value of approximately \$1,572 million for the entire issued and to be issued share capital of Hipgnosis is based on:
  - 2.1 the Acquisition Price; and
  - 2.2 Hipgnosis' issued ordinary share capital of 1,209,214,286 Hipgnosis Shares, as set out in paragraph 1 above.
3. For the purposes of Rule 29.1 of the Takeover Code, set out below is a reconciliation between the unaudited IFRS NAV as at 30 September 2023 and the unaudited Adjusted 30 September 2023 Operative NAV:

US\$'000 unless stated otherwise	Unaudited IFRS NAV as at 30 September 2023 <sup>(1)</sup>	Adjustment for Operative NAV as per the Interim Results to 30 September 2023 <sup>(2)</sup>	Operative NAV as per the Interim Results to 30 September 2023 <sup>(2)</sup>	Adjustment for sale of portfolio of non-core assets <sup>(3)</sup>	Adjustment for double counting of accrued revenue <sup>(4)</sup>	Adjustment for Fair Market Value of the Catalogues of Songs (as at 26 March 2024) <sup>(5)</sup>	Unaudited Adjusted 30 September 2023 Operative NAV
Catalogues of Songs	\$1,824,675	\$797,325	\$2,622,000	(\$29,100)		(\$644,597)	\$1,948,303
Other non- current assets	\$10,856		\$10,856				\$10,856
Cash and cash equivalents	\$34,336		\$34,336	\$22,970			\$57,306
Other current assets	\$179,825	(\$25,948)	\$153,877		(\$107,827)		\$46,050
Total liabilities	(\$718,163)		(\$718,163)				(\$718,163)

<b>Net assets</b>	<b>\$1,331,529</b>		<b>\$2,102,906</b>				<b>\$1,344,352</b>
Total number of Ordinary Shares in issue (excluding treasury shares)	1,209,214		1,209,214				1,209,214
Net asset value per share	\$1.101		\$1.739				\$1.112

1. As disclosed in the Interim Report for the period ended 30 September 2023.

2. Represents the IFRS NAV adjusted for the Fair Value of the Catalogues of Songs, as disclosed in the Interim Report for the period ended 30 September 2023. Adjustment to "Catalogues of Songs" value reflects the excess of fair market value as derived by Citrin Cooperman over the net book value. The adjustment to "other current assets" includes the cost basis of certain catalogues held for sale by the Company less accumulated depreciation and amortization.

3. Represents the impact of the proceeds from the disposal of non-core assets of c. 20,000 Songs, as announced by the Company on 11 December 2023 and reflects a reduction in the fair market value of "Catalogues of Songs" based on Citrin Cooperman's valuation of the divested catalogs with Cash and cash equivalents increasing based on the net proceeds realized upon the closing of the sale.

4. Represents the correction of the double counting of accrued revenue, which reverses the accrued income balance and royalty accruals on accrued income, in the calculation of Operative NAV, as announced by the Company on 18 March 2024.

5. Represents the adjustment to the fair market value of the Company's Portfolio using the midpoint of the valuation range valued by Shot Tower Capital LLC as of 26 March 2024 and announced by the Company on 28 March 2024.

4. Unless otherwise stated, the financial information of Hipgnosis is extracted (without material adjustment) from the annual report and audited accounts of the Hipgnosis Group for the 12 months ended 31 March 2023, and the unaudited, consolidated financial statements of Hipgnosis for the six months ended 30 September 2023.
5. The volume-weighted average prices have been derived from Bloomberg.
6. Certain figures included in this announcement have been subject to rounding adjustments.
7. USD figures have been converted to GBP using the £:\$ exchange rate of £1:\$1.2455 as at 16:30 GMT on 26 April 2024 (being the last Business Day before the date of this announcement) as derived from data provided by Daily Official List.

### **Appendix 3 Definitions**

**The following definitions apply throughout this document unless the context otherwise requires:**

<b>“2023 Hipgnosis Annual Report”</b>	the annual report and audited accounts of the Hipgnosis Group for the year ended 31 March 2023
<b>“Acquisition”</b>	the proposed cash acquisition by Bidco of the entire issued, and to be issued, share capital of Hipgnosis to be implemented by way of the Offer, or should Bidco so elect, and where required, the Panel consent (subject to the terms of the Cooperation Agreement whilst it remains in force), by means of a Scheme and, where the context admits, any subsequent revision, variation, extension or renewal thereof
<b>“Acquisition Price”</b>	\$1.30 per Hipgnosis Share
<b>“Adjusted 30 September 2023 Operative NAV”</b>	Hipgnosis’ Operative NAV based on the Operative NAV as at 30 September 2023 of \$2,102,906,000 adjusted for (i) the sale of the portfolio of non-core assets; (ii) the double counting of accrued revenue; and (iii) Shot Tower’s valuation of the fair market value of the catalogues of songs as at 26 March 2024, as set out in Appendix 2 Paragraph 3
<b>“Announcement Exchange Rate”</b>	the £:\$ exchange rate of £1:\$1.2455 as at 16:30 GMT on 26 April 2024 (being the last Business Day before the date of this announcement) as derived from data provided by Daily Official List
<b>“Articles”</b>	the articles of incorporation of Hipgnosis from time to time
<b>“associated undertaking”</b>	shall be construed in accordance with paragraph 19 of Schedule 6 to The Large and Medium sized Companies and Groups (Accounts and Reports) Regulations 2008 (SI 2008/410) but for this purpose ignoring paragraph 19(1)(b) of Schedule 6 to those regulations
<b>“Bidco”</b>	Lyra Bidco Limited
<b>“Bidco Board”</b>	the directors of Bidco



<b>“Bidco Group”</b>	Bidco and its subsidiary undertakings and where the context permits, each of them
<b>“Blackstone”</b>	Blackstone Inc. (together with its affiliates)
<b>“Blackstone Funds”</b>	investment funds advised by affiliates of Blackstone
<b>“Business Day”</b>	a day, not being a public holiday in the UK or Guernsey, a Saturday or Sunday, and on which clearing banks in London are open for normal business
<b>“certificated” or “certificated form”</b>	in relation to a share or other security, a share or other security title to which is recorded in the relevant register of the share or other security as being held in certificated form (that is, not in CREST)
<b>“Clearances”</b>	all approvals, authorisations, grants, recognitions, consents, licences, clearances, certificates, permissions, confirmations, comfort letters and waivers that need to be obtained, and all filings that need to be made and all waiting periods that may need to have expired, from or under any of the laws, regulations or practices applied by, any Relevant Authority (or under any agreement or arrangements to which any Relevant Authority is a party), in each case that are necessary and/or (following consultation between the parties) expedient to satisfy the Conditions in clause 3 of Appendix 1, Part A; and any reference to any Clearance having been <b>“satisfied”</b> shall be construed as meaning that the foregoing has been obtained or, where relevant, made or expired
<b>“Closing Price”</b>	the closing middle market price of a Hipgnosis Share as derived from the Daily Official List on any particular date
<b>“CMA”</b>	the Competition and Markets Authority
<b>“Companies Law”</b>	the Companies (Guernsey) Law, 2008, as amended from time to time
<b>“Concord”</b>	Concord Chorus Limited, an entity indirectly controlled by Alchemy Copyrights, LLC

<b>“Concord Revised Offer”</b>	the increased recommended cash offer to acquire the entire issued and to be issued share capital of Hipgnosis made by Concord on 24 April 2024
<b>“Condition”</b>	each of the conditions listed in Part A of Appendix 1 and any reference to a numbered Condition shall be a reference to the Condition set out in the paragraph of Part A of Appendix 1 bearing such number
<b>“Confidentiality Agreement”</b>	the confidentiality agreement dated 11 April 2024 between Blackstone Europe LLP and Hipgnosis
<b>“Cooperation Agreement”</b>	the cooperation agreement dated on or around the date of this announcement between Bidco and Hipgnosis
<b>“Court”</b>	the Royal Court of Guernsey
<b>“Court Meeting”</b>	if the Acquisition is to be implemented by means of a Scheme, the meeting of Hipgnosis Shareholders (or the relevant classes thereof) to be convened at the direction of the Court pursuant to section 107 of the Companies Law at which a resolution will be proposed to approve the Scheme (with or without amendment), including any adjournment, postponement or reconvening thereof
<b>“CREST”</b>	the CREST system (as defined in the Regulations)
<b>“Daily Official List”</b>	the daily official list of the London Stock Exchange
<b>“Dealing Disclosure”</b>	an announcement by a party to an offer or a person acting in concert as required by Rule 8 of the Takeover Code
<b>“Disclosed”</b>	the information fairly disclosed by or on behalf of Hipgnosis: (i) in the 2023 Hipgnosis Annual Report; (ii) in the Half Year Results for the six months period ended 30 September 2023; (iii) in this announcement; (iv) in any other announcement to a Regulatory Information Service prior to the publication of this announcement; and (v) in writing (including via the virtual data room operated by or on behalf of Hipgnosis in respect of the Acquisition) or

	orally in meetings and calls by Hipgnosis management prior to the date of this announcement to Bidco or Bidco’s officers or advisers (in their capacity as such)
<b>“Disclosure Guidance and Transparency Rules”</b>	the Disclosure Guidance and Transparency Rules sourcebook issued by the FCA
<b>“Enterprise Act”</b>	the Enterprise Act 2002
<b>“FCA”</b>	the Financial Conduct Authority or its successor from time to time
<b>“FCA Handbook”</b>	the FCA’s Handbook of rules and guidance as amended from time to time
<b>“Form of Election”</b>	the form of election for use by Hipgnosis Shareholders electing to receive their Acquisition cash consideration in Sterling
<b>“General Meeting”</b>	if the Acquisition is to be implemented by means of a Scheme, the general meeting of Hipgnosis Shareholders to be convened to consider and if thought fit pass, inter alia, the Resolutions (with or without amendment) in relation to the Scheme including any adjournments, postponement or reconvening thereof
<b>“GFSC”</b>	Guernsey Financial Services Commission
<b>“Gross Asset Value”</b>	at any date, the aggregate of: (i) the value of all the investments of Hipgnosis as determined by the Hipgnosis Directors and calculated in the case of copyrights by reference to an independent valuer's determination of the appropriate current value for such copyrights, which is to be calculated in accordance with Hipgnosis’ latest published valuation methodology, among other things, as regards the fair market value of the copyrights; and (ii) the amount which, in accordance with Hipgnosis’ latest published valuation methodology, fairly reflects the value of all other assets of Hipgnosis
<b>“Hipgnosis”</b>	Hipgnosis Songs Fund Limited
<b>“Hipgnosis Board” or “Hipgnosis Directors”</b>	the directors of Hipgnosis

<b>“Hipgnosis Group”</b>	Hipgnosis and its subsidiary undertakings and where the context permits, each of them
<b>“Hipgnosis Shareholder(s)”</b>	holders of Hipgnosis Shares
<b>“Hipgnosis Share(s)”</b>	the existing issued and fully paid ordinary shares of no par value in the capital of Hipgnosis and any further shares which are issued before completion of the Acquisition and <b>“Hipgnosis Share”</b> means any one of them
<b>“HSG”</b>	Hipgnosis Songs Group LLC
<b>“HSM” or “Investment Adviser”</b>	Hipgnosis Song Management Limited
<b>“HSR Act”</b>	the United States Hart-Scott-Rodino Antitrust Improvements Act of 1976 (as amended)
<b>“IFRS”</b>	the International Financial Reporting Standards
<b>“Investment Advisory Agreement”</b>	the investment advisory agreement entered into between Hipgnosis, Hipgnosis Songs Holdings UK Limited and HSM, dated 27 June 2018, as amended on 1 December 2020, and as further amended on 8 October 2021, and as further amended on 14 September 2023, and as may be further amended from time to time
<b>“Jefferies”</b>	Jefferies International Limited
<b>“London Stock Exchange”</b>	the London Stock Exchange plc or its successor
<b>“Long Stop Date”</b>	5 November 2024 or such later date as may be agreed between Bidco and Hipgnosis and, if required, the Panel and the Court may allow
<b>“Main Market”</b>	the London Stock Exchange’s main market for listed securities
<b>“Market Abuse Regulation”</b>	Regulation (EU) 596/2014, as it forms part of domestic law of the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, as amended from time to time
<b>“Meetings”</b>	if the Acquisition is to be implemented by means of a Scheme, the Court Meeting and the General Meeting
<b>“Offer”</b>	should the Acquisition be implemented by way of a contractual takeover offer as provided for in section 337 of the Companies Law, subject to the terms of the Cooperation Agreement, the

	offer to be made by or on behalf of Bidco to acquire the entire issued, and to be issued, share capital of Hipgnosis, and, where the context admits, any subsequent revision, variation, extension or renewal of such offer
<b>“Offer Document”</b>	should the Acquisition be implemented by means of the Offer, the document to be sent to Hipgnosis Shareholders which will contain, amongst other things, the terms and conditions of the Offer
<b>“Offer Period”</b>	the offer period (as defined in the Takeover Code) relating to Hipgnosis which commenced on the day of this announcement
<b>“Official List”</b>	the official list of the FCA
<b>“Opening Position Disclosure”</b>	an announcement pursuant to Rule 8 of the Takeover Code containing details of interests or short positions in, or rights to subscribe for, any relevant securities of a party to the Acquisition
<b>“Operative NAV”</b>	at any date, the Gross Asset Value less the amount which (to the extent not otherwise deducted in the calculation of Gross Asset Value), in accordance with Hipgnosis' latest published valuation methodology, fairly reflects the amount of the liabilities and expenses of Hipgnosis
<b>“Operative NAV per Hipgnosis Share”</b>	the Operative NAV divided by the number of Hipgnosis Shares in issue at the time of calculation
<b>“Overseas Shareholders”</b>	holders of Hipgnosis Shares who are resident in, ordinarily resident in, or citizens of, jurisdictions outside the United Kingdom
<b>“Panel”</b>	the Panel on Takeovers and Mergers
<b>“Regulations”</b>	the Uncertificated Securities (Guernsey) Regulations, 2009 (SI 2009 No. 48), including: (i) any enactment or subordinate legislation which amends or supersedes those regulations; and (ii) any applicable rules made under those regulations or any such enactment or subordinate legislation for the time being in force

<b>“Regulatory Information Service”</b>	a regulatory information service as defined in the FCA Handbook
<b>“Relevant Authority”</b>	any merger control authority, any court or competition, antitrust, national, supranational or supervisory body, central bank, government or governmental, quasi-governmental or statutory, regulatory environmental, investigative body or trade agency, association, association or institution, in each case in any jurisdiction, and including, for the avoidance of doubt, the UK Competition and Markets Authority, the United States Department of Justice, the United States Federal Trade Commission and the Panel, and <b>“Relevant Authorities”</b> means all of them
<b>“relevant securities”</b>	as the context requires, Hipgnosis Shares, other Hipgnosis share capital and any securities convertible into or exchangeable for, and rights to subscribe for, any of the foregoing
<b>“Resolution”</b>	if the Acquisition is to be implemented by means of a Scheme, the resolution to be proposed at the General Meeting necessary to implement the Scheme, including, amongst other things, certain amendments to be made to the articles of incorporation of Hipgnosis
<b>“Restricted Jurisdiction”</b>	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Offer is sent or made available to Hipgnosis Shareholders in that jurisdiction
<b>“Scheme”</b>	subject to the consent of the Panel and the terms of the Cooperation Agreement, should the Acquisition be implemented by means of a scheme of arrangement under Part VIII of the Companies Law between Hipgnosis and the holders of the Hipgnosis Shares to which the Scheme applies, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Hipgnosis and Bidco
<b>“Scheme Document”</b>	if the Acquisition is to be implemented by means of a Scheme, the document to be sent to Hipgnosis Shareholders and other affected persons containing, amongst other things, the

	Scheme and notices of the Meetings and proxy forms in respect of the Meetings
<b>“Shot Tower”</b>	Shot Tower Capital LLC, valuer and strategic adviser to Hipgnosis
<b>“Singer Capital Markets”</b>	Singer Capital Markets Advisory LLP, Rule 3 adviser to Hipgnosis
<b>“Takeover Code”</b>	the Takeover Code issued by the Panel on Takeovers and Mergers, as amended from time to time
<b>“UK” or “United Kingdom”</b>	United Kingdom of Great Britain and Northern Ireland
<b>“U.S.” or “United States”</b>	United States of America
<b>“U.S. Exchange Act”</b>	the U.S. Securities Exchange Act of 1934
<b>“uncertificated” or “in uncertificated form”</b>	a share or other security title to which is recorded in the relevant register of the share or security as being held in uncertificated form, in CREST, and title to which, by virtue of the Regulations may be transferred by means of CREST
<b>“Voting Record Time”</b>	the time and date to be specified in the Scheme Document by reference to which entitlement to vote on the Scheme will be determined
<b>“Wider Bidco Group”</b>	Bidco Group and associated undertakings and any other body corporate, partnership, joint venture or person in which Bidco and such undertakings (aggregating their interests) have an interest of more than 30 per cent. of the voting or equity capital or the equivalent
<b>“Wider Hipgnosis Group”</b>	Hipgnosis and associated undertakings and any other body corporate, partnership, joint venture or person in which Hipgnosis and such undertakings (aggregating their interests) have an interest of more than 30 per cent. of the voting or equity capital or the equivalent (excluding, for the avoidance of doubt, Bidco and all of its associated undertakings which are not members of the Hipgnosis Group)

In this announcement, **“subsidiary”**, **“subsidiary undertaking”**, **“undertaking”** and **“associated undertaking”** have the respective meanings given thereto by the Companies Act.

All references to “**pounds**”, “**pounds Sterling**”, “**Sterling**”, “**GBP**”, “**£**”, “**pence**”, “**penny**” and “**p**” are to the lawful currency of the United Kingdom.

All references to “**dollars**”, “**US dollars**”, “**US\$**”, “**\$**”, and “**cent**” are to the lawful currency of the United States of America

All references to a statutory provision or law or to any order or regulation shall be construed as a reference to that provision, law, order or regulation as extended, modified, replaced or re-enacted from time to time and all statutory instruments, regulations and orders from time to time made thereunder or deriving validity therefrom.

A reference to “**includes**” shall mean “**includes without limitation**”, and references to “**including**” and any other similar term shall be construed accordingly.

All the times referred to in this announcement are London (UK) times unless otherwise stated.

References to the singular include the plural and vice versa.