

5 February 2024

Hipgnosis Songs Fund Limited

(the "Company")

Litigation update

The Company notes the media commentary concerning allegations against Merck Mercuriadis, Hipgnosis Songs Management, (the "Investment Adviser") which is majority owned by funds managed and/or advised by Blackstone, and the Company.

The Company has already disclosed this lawsuit, both on 23 November 2023 and in its 2023 Annual Report. In summary, Hipgnosis Music Limited has issued and served High Court proceedings upon Mr Mercuriadis, Hipgnosis Songs Management and the Company.

Hipgnosis Music Limited (of which Mr Mercuriadis was a director from 16 June 2015 and is still shown as director on Companies House¹) alleges an unlawful diversion of the Hipgnosis business opportunity by Mr Mercuriadis to the Company and the Investment Adviser. Hipgnosis Music Limited are seeking to recover a substantial but as yet unquantified sum under the claim. The Company has recently become aware that Hipgnosis Music Limited has secured litigation funding.

The Board has recently appointed Kastle Solicitors, independently of the other defendants, to review the claim. As any liability of the Company arises from Mr Mercuriadis' conduct and knowledge, the Company intends to seek to secure an indemnity from Mr Mercuriadis and Hipgnosis Songs Management against any liability that might be incurred by the Company resulting from the actions of Mr Mercuriadis or Hipgnosis Songs Management.

1. <https://find-and-update.company-information.service.gov.uk/company/09642326/officers>

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