

J.P.Morgan CAZENOVE

The Directors
Concord Chorus Limited
C/O Concord Aldwych House
71-91 Aldwych
London
United Kingdom
WC2B 4HN

18 April 2024

Dear Sir / Madam,


Recommended cash offer for Hipgnosis Songs Fund Limited by Concord Chorus Limited, a wholly owned subsidiary of Alchemy Copyrights, LLC, trading as “Concord”, to be effected by means of a Court-sanctioned scheme of arrangement under Part VIII of the Companies (Guernsey) Law 2008 (as amended) (the “Acquisition”)


We refer to the announcement by Concord to be issued under Rule 2.7 of the City Code on Takeovers and Mergers (the “Code”) on or around 18 April 2024 in connection with the Acquisition, a copy of which is attached hereto (the “Announcement”).

The Announcement includes certain references to J.P. Morgan Securities LLC together with its affiliate J.P. Morgan Securities plc (which conducts its UK investment banking business as J.P. Morgan Cazenove) (together, “J.P. Morgan”).

J.P. Morgan hereby gives its consent to the publication of the Announcement with the inclusion therein of references to its name, in the form and context in which they appear. We hereby also consent to this letter being made available for inspection solely for the purpose of ensuring compliance with Rule 26 of the Code. This letter is for your information only and should not be relied upon by any other person.

Yours faithfully,


J.P. Morgan Securities LLC


J.P. Morgan Securities plc

J.P. Morgan Securities plc
25 Bank Street, Canary Wharf, London E14 5JP
Tel: +44 (0) 20 7777 2000 • Fax +44 (0) 20 3493 0684

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THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

18 April 2024

**RECOMMENDED CASH OFFER FOR
HIPGNOSIS SONGS FUND LIMITED (“HIPGNOSIS”)**

BY

CONCORD CHORUS LIMITED (“BIDCO”)

an entity indirectly controlled by Alchemy Copyrights, LLC, trading as Concord (“Concord”)

**to be implemented by means of a Court-sanctioned scheme of arrangement
under Part VIII of the Companies (Guernsey) Law, 2008 (as amended)**

Summary

- The board of directors of each of Bidco and Hipgnosis are pleased to announce that they have reached agreement on the terms of a recommended cash offer pursuant to which Bidco will acquire the entire issued and to be issued share capital of Hipgnosis (the “**Acquisition**”).
- It is intended that the Acquisition will be implemented by means of a Court-sanctioned scheme of arrangement under Part VIII of the Companies Law (the “**Scheme**”).
- Under the terms of the Acquisition, Scheme Shareholders will receive:

for each Scheme Share US\$1.16 in cash (the “Cash Consideration”).

In addition, if prior to the date falling five Business Days prior to the Court Hearing, the Investment Adviser, Hipgnosis (together with Hipgnosis Sub) and Bidco have entered into a tripartite agreement to terminate the Investment Advisory Agreement (the “**IAA Termination Agreement**”) with effect from the Effective Date, Scheme Shareholders will be entitled to share in an aggregate additional consideration of up to US\$25 million (the “**Contingent Consideration**”). The Contingent Consideration, if payable, will be equal to US\$25 million less any amount payable to the Investment Adviser under the IAA Termination Agreement (the “**Contingent Consideration Amount**”). For the avoidance of doubt, such amount being reduced from the US\$25 million would exclude any sums payable to the Investment Adviser in satisfaction of accrued fees and expenses due under the terms of the Investment Advisory Agreement, and any other fees and expenses incurred in relation to the IAA Termination Agreement. If the Contingent Consideration is payable, Scheme Shareholders will each receive for each Scheme Share held, the Contingent Consideration Amount divided by the number of Hipgnosis Shares in issue at the Scheme Voting Record Time rounded down, on a per share basis, to the nearest US\$0.001. The maximum amount of Contingent Consideration a Scheme Shareholder may therefore receive is US\$0.020 per Scheme Share.

- The Cash Consideration values the entire issued and to be issued ordinary share capital of Hipgnosis at approximately US\$1,402.7 million.
- The Cash Consideration is equivalent to £0.932 per Share based on the Announcement Exchange Rate.
- The Cash Consideration represents a premium of approximately:
 - 32.2 per cent. to the Closing Price of £0.71 on 17 April 2024 (being the Latest Practicable Date);

- 36.5 per cent. to the six-month volume weighted average price per Hipgnosis Share of £0.68 to 17 April 2024 (being the Latest Practicable Date); and
- 4.3 per cent. to Hipgnosis' Adjusted 30 September 2023 Operative NAV per Hipgnosis Share of US\$1.11.

Background to, and reasons for, the Acquisition

- Concord has been an active acquirer of music rights and companies for over a decade, with a proven track record of strategic acquisitions and catalogue expansion. Since 2015, Concord has deployed more than US\$2.8 billion of capital and completed more than 100 transactions across recorded music, music publishing and theatricals, as it seeks to grow its business and scale and leverage its operations.
- Concord is a full-service music and theatrical rights company with an extensive new release artist and writer programme. Concord's global team provides artists, songwriters, playwrights and composers with creative and administrative support in sync, licensing, marketing, promotion and A&R.
- Concord continues to be active in the market, looking at many potential transactions that meet its investment criteria. Concord and its management have followed the progression of Hipgnosis since IPO and believe that Hipgnosis' assets complement Concord's long-standing objective to acquire high quality and long-term music assets. Concord believes that the quality of Hipgnosis' assets are consistent with Concord's existing holdings, and creators connected to the rights acquired will benefit from the services of Concord's existing creative and administrative support teams globally.
- Concord intends to implement the Acquisition with the support of its long-term financing partner, Apollo Global Management, Inc. via certain investment funds, accounts or entities managed, advised and/or affiliated with, and/or owned (in whole or in part) or controlled by, Apollo Capital Management, L.P. and/or one or more of its affiliates ("**Apollo**"). Apollo has committed to provide financing for the Acquisition in the form of debt capital, as well as a minority, indirect equity interest in the Concord-controlled Bidco.
- Following completion of the Acquisition and a short transition period, it is expected that Concord will take over the management of Hipgnosis' assets, as is further set out in paragraph 10 of this Announcement.

Background to, and reasons for, the Hipgnosis Directors' recommendation

- The Acquisition represents an attractive opportunity for Hipgnosis Shareholders to immediately realise their holding in Hipgnosis in cash for at least US\$1.16 per Hipgnosis share, which represents a 32.2 per cent. premium to the closing share price (as at the Latest Practicable Date) and a 4.3 per cent. premium to the Adjusted 30 September 2023 Operative NAV.
- Since the failed continuation resolution in October 2023, the Board has carefully assessed all options for the future of the Company with the aim of maximising value for shareholders and considers that in absence of the Acquisition, all alternative options carry significant risks, uncertainties and limitations.
- In particular, the Board believes that the share price is unlikely to increase to reflect the Adjusted 30 September 2023 Operative NAV or the Cash Consideration in the medium term as a result of numerous Company-specific and certain market issues. The Board considers that, in order to achieve a material improvement in the share price, the Company needs to undergo, and evidence the benefits of, substantial financial and governance changes to improve its financial performance.
- The Board recognises that the terms and timing achievable in any process to realise value from the Company's assets, either by way of a managed wind down or via the sale of the Company or its assets, are uncertain and may not occur on terms equal to or greater than the Adjusted 30 September 2023 Operative NAV or the Cash Consideration.
- In arriving at its recommendation, the Board spoke to a number of potentially interested parties during the course of its strategic review. During this period, the Board received a number of indicative and preliminary proposals, including a number of earlier proposals from Concord, all of which were less certain, and at a lower value than US\$1.16 (and the implied Sterling value as at the Latest Practicable Date).

- Accordingly, following careful consideration, the Hipgnosis Board intends to unanimously recommend that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that Hipgnosis Shareholders vote in favour of the Resolution at the General Meeting.

Recommendation

- 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 Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that Hipgnosis Shareholders vote in favour of the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, that Hipgnosis Shareholders accept or procure acceptance of the Takeover Offer), and have irrevocably undertaken to do so in respect of their own beneficial holdings totalling in aggregate 327,796 Hipgnosis Shares, representing approximately 0.03 per cent. of the issued share capital of Hipgnosis as at the Latest Practicable Date.**

Irrevocable Undertakings and Letters of Intent

- In addition to the irrevocable undertakings given by the Hipgnosis Directors as set out above, Bidco has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting, and in favour of the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), from Asset Value Investors Limited, CCLA Investment Management, Schroder & Co Limited, J O Hambro Capital Management Limited, Madison Avenue Partners, LP, Gresham House Asset Management Ltd, Hawksmoor Investment Management and Premier Fund Managers Limited in respect of, in aggregate, 284,917,641 Hipgnosis Shares representing approximately 23.56 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date.
- Bidco has therefore received irrevocable undertakings from the Hipgnosis Directors and certain of the Hipgnosis Shareholders in respect of, in aggregate, 285,245,437 Hipgnosis Shares representing approximately 23.59 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date.
- Bidco has also received a letter of intent to vote in favour of the Scheme at the Court Meeting, and in favour of the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), from Investec Wealth & Investment Limited in respect of, in aggregate, 70,000,000 Hipgnosis Shares representing approximately 5.79 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date.
- The total number of Hipgnosis Shares which are therefore subject to irrevocable undertakings or a letter of intent received by Bidco from Hipgnosis Shareholders is 355,245,437 Hipgnosis Shares, representing in aggregate approximately 29.38 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date. Further details of the irrevocable undertakings and letter of intent given to Bidco (and the circumstances in which such arrangements will cease to be binding or otherwise fall away) are set out in Appendix 3 to this Announcement.

Timetable and Conditions

- It is intended that the Acquisition will be implemented by way of a Court-sanctioned scheme of arrangement under Part VIII of the Companies Law. However, subject to the Panel's consent, Bidco reserves the right to elect to implement the Acquisition by way of a Takeover Offer.
- The Acquisition will be put to Scheme Shareholders at the Court Meeting and to Hipgnosis Shareholders at the General Meeting. In order to become Effective, the Scheme must be approved by a majority in number of Scheme Shareholders voting at the Court Meeting, either in person or by proxy, representing at least 75 per cent. of the voting rights of such Scheme Shareholders. In addition, the Resolution, a special resolution to authorise the Hipgnosis Directors to take all actions necessary for carrying the Scheme into effect and to amend the Hipgnosis Articles, must be passed by Hipgnosis Shareholders

(either in person or by proxy) representing at least 75 per cent. of the votes cast on that resolution at the General Meeting.

- The Acquisition will be made in accordance with the Takeover Code and on the terms and subject to the Conditions which are set out in Appendix 1 to this Announcement and on the further terms and conditions that will be set out in the Scheme Document. The Conditions include (amongst others) the receipt of relevant merger control clearances in the European Union.
- It is expected that the Scheme Document, containing further information about the Acquisition and notices of the Court Meeting and the General Meeting, together with the Forms of Proxy, will be published as soon as practicable and, in any event, within 28 days of this Announcement, unless Bidco and Hipgnosis otherwise agree, and the Panel consents, to a later date. It is expected that the Scheme will become Effective in the third quarter of this year, subject to the satisfaction of the Conditions and the further terms set out in Appendix 1 to this Announcement and to the full terms and conditions of the Acquisition which will be set out in the Scheme Document.

Commenting on the Acquisition, Robert Naylor, Chairman of Hipgnosis said:

“The Board is pleased to announce and unanimously recommend this US\$1.4 billion Offer for Hipgnosis from Concord. The acquisition represents an attractive opportunity for our shareholders to immediately realise their holding at a premium, mitigating the risks we see ahead to achieving a material improvement in the share price. At the same time, the Board is confident that Concord, one of the world’s leading independent music companies, is the right owner to take on the Hipgnosis catalogue and manage it in the interests of composers and performers.

We would now encourage Hipgnosis Song Management, the Company’s Investment Adviser and Blackstone, which is HSM’s majority owner, through funds they manage and/or advise, to agree an orderly termination of the Investment Advisory Agreement. This would enable the payment of a larger consideration under the agreed transaction with Concord and bring to an end a period of uncertainty for all Hipgnosis stakeholders.”

Commenting on the Acquisition, Bob Valentine, CEO of Concord said:

“We are pleased to be announcing this Offer for Hipgnosis, which has been unanimously recommended by its Board and has the support of 29.38 per cent. of their shareholders. We believe we are offering a fair price for Hipgnosis’ catalogues and music assets, giving its shareholders the opportunity to realise their investment at a significant premium to the prevailing share price in cash.

Concord is the world’s leading independent music company, with extensive experience in developing, producing, and marketing recordings and songs around the world in order to maximise their value. We believe we can integrate Hipgnosis’ catalogues into our wider portfolio of 1.2 million songs in a way that will deliver benefits for composers, performers and all our stakeholders.”

This summary should be read in conjunction with, and is subject to, the full text of this Announcement and its Appendices. The Acquisition will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and to the full terms and conditions which will be set out in the Scheme Document. Appendix 2 to this Announcement contains the sources of information and bases of calculation of certain information contained in this Announcement. Appendix 3 to this Announcement contains a summary of the irrevocable undertakings and letters of intent received in relation to the Acquisition. The valuation report for Hipgnosis’ portfolio of investments as at 26 March 2024 is set out in Appendix 4 to this Announcement pursuant to Rule 29 of the Takeover Code. Appendix 5 to this Announcement contains definitions of certain expressions used in this summary and in this Announcement.

Enquiries:

Concord +1 629 401 3906
Kelly Voigt (SVP, Corporate Communications)

Apollo +44 20 7016 5000
Erin Clark

J.P. Morgan Cazenove (Sole Financial Adviser to Bidco) +44 203 493 8000
Jonty Edwards
Rupert Budge

Edward Hatter
Greg Slack

H/Advisors Maitland (PR Adviser to Bidco)

Neil Bennett +44 7900 000777
Jonathan Cook +44 7730 777865

Hipgnosis

Robert Naylor, Chairman +44 207 496 3000
Via Singer Capital Markets

Singer Capital Markets (Sole Rule 3 Adviser, Financial Adviser and Corporate Broker to Hipgnosis)

James Moat +44 207 496 3000
Alaina Wong
Sam Butcher
Jalini Kalaravy

Shot Tower Capital LLC (Valuer and Strategic Advisor 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

Reed Smith LLP is retained as UK legal adviser to Concord and Bidco, Latham & Watkins (London) LLP is retained as UK legal adviser to Apollo, and Shoosmiths LLP is retained as UK legal adviser to Hipgnosis. DLA Piper LLP and DLA Piper UK LLP are retained as legal adviser to Concord and Bidco in connection with finance aspects of the transaction.

Mourant Ozannes (Guernsey) LLP is retained as Guernsey legal adviser to Concord and Carey Olsen (Guernsey) LLP is retained as Guernsey legal adviser to Hipgnosis.

Important notices

J.P. Morgan Securities LLC together with its affiliate J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove and which is authorised in the United Kingdom by the Prudential Regulation Authority (the "PRA") and regulated in the United Kingdom by the PRA and the FCA (together, "J.P. Morgan Cazenove") is acting as financial adviser exclusively to Bidco and no one else in connection with the Acquisition and will not regard any other person as their client in relation to the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the Acquisition or any other matter or arrangement referred to herein.

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 to sell or an invitation to purchase any securities or a solicitation of an offer to buy, otherwise acquire, subscribe for, sell or otherwise dispose of any securities pursuant to the Acquisition or otherwise, nor shall there be any purchase, sale, issuance or exchange of securities or such solicitation in any jurisdiction in which such offer, invitation, solicitation, purchase, sale, issuance or exchange is unlawful. The Acquisition will be made solely by means of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, any document by which the Takeover Offer is made) and the accompanying Forms of Proxy (or forms of acceptance, if applicable), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the resolutions proposed in connection with the Acquisition. Any vote, approval, decision in respect of, or other response to, the Acquisition should be made only on the basis of the information

contained in the Scheme Document (or any other document by which the Acquisition is made by way of a Takeover Offer).

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and the release of this Announcement shall not give rise to any implication that there has been no change in the facts set out in this Announcement since such date. This Announcement does not constitute a prospectus or prospectus equivalent document.

Hipgnosis Shareholders should not make any investment decision in relation to the Acquisition except on the basis of the Scheme Document (or any other document by which the Acquisition is made by way of a Takeover Offer). Hipgnosis and Bidco urge Hipgnosis Shareholders to read the whole of the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.

No person should construe the contents of this Announcement as legal, financial or tax advice. 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 from an independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom, or another appropriately authorised independent financial adviser, if you are in a territory outside the United Kingdom.

Overseas Shareholders

This Announcement has been prepared for the purpose of complying with Guernsey law, English law, the Takeover Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom or Guernsey. Nothing in this Announcement should be relied on for any other purpose.

The release, publication or distribution of this Announcement in or into, jurisdictions other than the United Kingdom or Guernsey may be restricted by the laws and/or regulations of those jurisdictions and therefore persons into whose possession this Announcement comes who are subject to the laws and/or regulations of any jurisdiction other than the United Kingdom or Guernsey should inform themselves about and observe any such applicable laws and/or regulations in their jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom or Guernsey to vote their Scheme Shares or Hipgnosis Shares (as applicable) with respect to the Scheme at the Court Meeting or the General Meeting, or to appoint another person as proxy to vote at the Court Meeting or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Further details in relation to Overseas Shareholders will be contained in the Scheme Document. Any failure to comply with any such 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.

Unless otherwise determined by Hipgnosis or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, 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 Scheme by any such use, means, instrumentality or form from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. If the Acquisition is implemented by a Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national state or other securities exchange, of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from or within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

Hipgnosis Shareholders in the United States should note that the Acquisition relates to the securities of a Guernsey company with a listing on the London Stock Exchange and is proposed to be effected by means of

a scheme of arrangement provided for under, and governed by, the Companies Law. This Announcement, the Scheme Document and certain other documents relating to the Acquisition have been or will be prepared in accordance with Guernsey law, English law, the Takeover Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the procedural and disclosure requirements and practices applicable to a scheme of arrangement involving a target company organised in Guernsey and listed on the London Stock Exchange, which differ from the procedural and disclosure requirements of the United States tender offer rules and proxy solicitation rules under the US Exchange Act. If, in the future, Bidco exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations. Such Takeover Offer would be made by Bidco and no one else.

The financial information that is included in this Announcement or that may be included in the Scheme Document, or any other documents relating to the Acquisition, has been or will be prepared in accordance with IFRS and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

The Hipgnosis Shares have not been approved or disapproved by the Securities Exchange Commission or any US state securities commission, nor have any such authorities passed judgment upon the fairness or the merits of the Acquisition or determined if this Announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

US holders of Hipgnosis Shares should also be aware that the transaction contemplated herein may have tax consequences in the United States and that such consequences, if any, are not described herein. US holders of Hipgnosis Shares are urged to consult with independent professional advisors regarding the legal, tax and financial consequences of the Acquisition applicable to them.

It may be difficult for US holders of Hipgnosis Shares to enforce their rights and claims arising out of US federal securities laws, since Hipgnosis is incorporated outside the United States, and its officers and directors may be residents of, and some or all of their assets may be located in, countries other than the United States. US holders of Hipgnosis Shares may have difficulty effecting service of process within the United States upon those persons or recovering against judgments of US courts, including judgments based upon the civil liability provisions of the US federal securities laws. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal practice in the UK and Guernsey and consistent with Rule 14e-5(b) of the US Exchange Act, Bidco, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Hipgnosis outside the United States, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made, they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase 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 at www.londonstockexchange.com.

Further details in relation to US investors will be contained in the Scheme Document.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Concord, Apollo, Bidco or Hipgnosis contain statements about Bidco and Hipgnosis and/or the Wider Bidco Group that are or may be deemed to be forward-looking statements. All statements other than statements of historical facts included in this Announcement, may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "hopes", "projects", "continue", "schedule" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements 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 Concord's, Apollo's or Hipgnosis' or the Wider Bidco

Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on Concord's, Apollo's or Hipgnosis' or the Wider Bidco Group's business.

These forward-looking statements are not based on historical fact and are not guarantees of future performance. By their nature, such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the entities' ability to control or estimate precisely. These factors include, but are not limited to, the satisfaction of or failure to satisfy all or any of the conditions to the Acquisition, as well as additional factors, such as changes in political and economic conditions, changes in the level of capital investment, retention of key employees, changes in customer habits, success of business and operating initiatives and restructuring objectives, the impact of any acquisitions or similar transactions, changes in customers' strategies and stability, competitive product and pricing measures, changes in the regulatory environment, fluctuations of interest and exchange rates and the outcome of any litigation.

Neither Bidco or Hipgnosis, nor any of their respective associates or directors, officers, employees 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. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. All subsequent oral or written forward-looking statements attributable to Bidco or Hipgnosis or any of their respective members, directors, officers, employees or advisers or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Bidco and Hipgnosis expressly disclaim any obligation to update any forward-looking or other statements contained in this Announcement, except as required by applicable law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

Disclosure requirements of the City Code on Takeovers and Mergers

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. 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) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Takeover Code) following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Takeover Code) 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 per cent. 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 p.m. (London time) on the Business Day (as defined in the Takeover Code) 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 of the Takeover Code).

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 Panel's

website at 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.

Right to switch to a Takeover Offer

Bidco reserves the right to elect, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued ordinary share capital of Hipgnosis as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms or, if Bidco so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Part B of Appendix 1 to this Announcement.

Publication of this Announcement on websites and availability of hard copies

A copy of this Announcement and the documents required to be published pursuant to Rules 26.1 and 26.2 of the Takeover Code will be available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on <https://communications.singercm.com/p/4UWI-ETV/recommended-cash-offer-hipgnosis> and Bidco's website at www.projectchorus.com by no later than 12.00 p.m. on the Business Day following the date of this Announcement.

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.

Information relating to Hipgnosis Shareholders

Please be aware that addresses, electronic addresses and certain 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 exact arithmetic aggregation of the figures that precede them.

Rule 2.9 of the Takeover Code

For the purposes of Rule 2.9 of the Takeover Code, Hipgnosis confirms that, as at the Latest Practicable Date, it had 1,209,214,286 ordinary shares of no par value in issue and admitted to trading on the London Stock Exchange and 2,000,000 shares held in treasury. The ISIN of the Hipgnosis Shares is GG00BFYT9H72.

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 OF SUCH JURISDICTION.

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION. UPON THE PUBLICATION OF THIS ANNOUNCEMENT VIA A REGULATORY INFORMATION SERVICE, THIS INSIDE INFORMATION IS NOW CONSIDERED TO BE IN THE PUBLIC DOMAIN.

FOR IMMEDIATE RELEASE

18 April 2024

**RECOMMENDED CASH OFFER FOR
HIPGNOSIS SONGS FUND LIMITED (“HIPGNOSIS”)**

BY

CONCORD CHORUS LIMITED (“BIDCO”)

an entity indirectly controlled by Alchemy Copyrights, LLC, trading as Concord (“Concord”)

**to be implemented by means of a Court-sanctioned scheme of arrangement
under Part VIII of the Companies (Guernsey) Law, 2008 (as amended)**

1 INTRODUCTION

The board of directors of each of Bidco and Hipgnosis are pleased to announce that they have reached agreement on the terms of a recommended cash offer pursuant to which Bidco will acquire the entire issued and to be issued share capital of Hipgnosis (the “**Acquisition**”).

The Acquisition is intended to be implemented by means of a Court-sanctioned scheme of arrangement between Hipgnosis and the Scheme Shareholders under Part VIII of the Companies Law.

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 to the full terms and conditions which will be set out in the Scheme Document, Scheme Shareholders will receive:

for each Scheme Share US\$1.16 in cash

In addition, if prior to the date falling five Business Days prior to the Court Hearing, the Investment Adviser, Hipgnosis (together with Hipgnosis Sub) and Bidco have entered into a tripartite agreement to terminate the Investment Advisory Agreement (the “**IAA Termination Agreement**”) with effect from the Effective Date, Scheme Shareholders will be entitled to share in an aggregate additional consideration of up to US\$25 million (the “**Contingent Consideration**”). The Contingent Consideration, if payable, will be equal to US\$25 million less any amount payable to the Investment Adviser under the IAA Termination Agreement (the “**Contingent Consideration Amount**”). For the avoidance of doubt, such amount being reduced from the US\$25 million would exclude any sums payable to the Investment Adviser in satisfaction of accrued fees and expenses due under the terms of the Investment Advisory Agreement, and any other fees and expenses incurred in relation to the IAA Termination Agreement. If the Contingent Consideration is payable, Scheme Shareholders will each receive for each Scheme Share held, the Contingent Consideration Amount divided by the number of Hipgnosis Shares in issue at the Scheme Voting Record Time rounded down, on a per share basis, to the nearest US\$0.001. The maximum amount of Contingent Consideration a Scheme Shareholder may therefore receive is US\$0.020 per Scheme Share.

The Cash Consideration values the entire issued and to be issued ordinary share capital of Hipgnosis at approximately US\$1,402.7 million.

The Cash Consideration is equivalent to £0.932 per Share based on the Announcement Exchange Rate.

The Cash Consideration represents a premium of:

- approximately 32.2 per cent. to the Closing Price of £0.71 on 17 April 2024 (being the Latest Practicable Date);
- approximately 36.5 per cent. to the six-month volume weighted average price per Hipgnosis Share of £0.68 on 17 April 2024 (being the Latest Practicable Date); and
- approximately 4.3 per cent. to Hipgnosis' Adjusted 30 September 2023 Operative NAV per Hipgnosis Share of US\$1.11.

The Hipgnosis Shares will be acquired by Bidco fully paid and free from all liens, equitable interests, charges, security interests, encumbrances, rights of pre-emption and any other third party rights or interests whatsoever and together with all rights existing at the date of this Announcement or thereafter attaching thereto, including (without limitation) the right to receive and retain, in full, all dividends and other distributions (if any) declared, made or paid or any other return of capital (whether by way of reduction of share capital or share premium account or otherwise) made on or after the date of this Announcement in respect of the Hipgnosis Shares.

For the purposes of this Announcement, Hipgnosis has prepared an Adjusted 30 September 2023 Operative NAV and Adjusted 30 September 2023 Operative NAV per Hipgnosis Share.

Appendix 4 to this Announcement contains the valuation report for Hipgnosis' portfolio of investments as at 26 March 2024 prepared by Shot Tower pursuant to the requirements of Rule 29 of the Takeover Code.

Shot Tower will prepare a further updated valuation report for the purposes of the Scheme Document and which will be reproduced in the Scheme Document.

As at the Latest Practicable Date, no discussions regarding the termination of the Investment Advisory Agreement have taken place between Chorus and the Investment Adviser, and there is therefore no guarantee whether and, if so, what terms will be entered into in respect of the termination of the Investment Advisory Agreement. Further announcements via a Regulatory Information Service will be made in due course, as necessary.

Expected Timetable

It is expected that the Scheme Document will be published as soon as practicable and, in any event, within 28 days of this Announcement, unless Bidco and Hipgnosis otherwise agree, and the Panel consents, to a later date. It is expected that the Court Meeting and the General Meeting will be held on or around 10 June 2024 and that, subject to the satisfaction of the Conditions and the further terms set out in Appendix 1 to this Announcement and to be set out in full in the Scheme Document, the Scheme is expected to become Effective in the third quarter of this year.

3 BACKGROUND TO AND REASONS FOR THE ACQUISITION

Concord has been an active acquirer of music rights and companies for over a decade, with a proven track record of strategic acquisitions and catalogue expansion. Since 2015, Concord has deployed more than US\$2.8 billion of capital and completed more than 100 transactions across recorded music, music publishing and theatricals, as it seeks to grow its business and scale and leverage its operations.

Concord is a full-service music and theatrical rights company with an extensive new release artist and writer programme. Concord's global team provides artists, songwriters, playwrights and composers with creative and administrative support in sync, licensing, marketing, promotion and A&R.

Concord continues to be active in the market, looking at many potential transactions that meet its investment criteria. Concord and its management have followed the progression of Hipgnosis since IPO and believe that Hipgnosis' assets complement Concord's long-standing objective to acquire high quality and long-term music assets. Bidco believes that the quality of Hipgnosis' assets are consistent with Concord's existing holdings, and creators connected to the rights acquired will benefit from the services of Concord's existing creative and administrative support teams globally.

Concord intends to implement the Acquisition with the support of its long-term financing partner, Apollo Global Management, Inc. via certain investment funds, accounts or entities managed, advised and/or affiliated with, and/or owned (in whole or in part) or controlled by, Apollo Capital Management, L.P.

and/or one or more of its affiliates (“**Apollo**”). Apollo has committed to provide financing for the Acquisition in the form of debt capital, as well as a minority, indirect equity interest in the Concord-controlled Bidco.

Following completion of the Acquisition and a short transition period, it is expected that Concord will take over the management of Hipgnosis’ assets, as is further set out in paragraph 10 of this Announcement.

4 **RECOMMENDATION**

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.

For the reasons set out below, the Hipgnosis Directors intend to recommend unanimously that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that Hipgnosis Shareholders vote in favour of the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, that Hipgnosis Shareholders accept or procure acceptance of the Takeover Offer), and have irrevocably undertaken to do so in respect of their own beneficial holdings totalling in aggregate 327,796 Hipgnosis Shares, representing approximately 0.03 per cent. of the issued share capital of Hipgnosis as at the Latest Practicable Date.

5 **BACKGROUND TO AND REASONS FOR THE RECOMMENDATION**

Since its IPO in 2018, Hipgnosis has built a portfolio currently comprising 138 catalogues with more than 40,000 songs, which provide exposure for investors to compositions performed by some of the top artists of the last 50 years. Hipgnosis’ portfolio is, therefore, well positioned to deliver stable income growth as it benefits from the expected market growth in music revenues, driven by the continued adoption of paid-for subscription streaming. However, as the portfolio is focused on Anglo-American pop, hip-hop and rock genres it is not expected to grow as fast as the rate of the global music market.

In October 2023, Hipgnosis shareholders overwhelmingly voted against the Company continuing its business as a closed-ended investment company. Following this, the Board has carefully assessed all options for the future of the Company with the aim of maximising value for shareholders. The Board considers that, in absence of the Acquisition, any and all alternative options for the future of the Company carry significant risks and uncertainties and limitations.

Most notably, the Company’s shares have traded at a depressed level for a prolonged period and currently trade at a material discount to both the Adjusted 30 September 2023 Operative NAV and the Cash Consideration. The Board believes that the share price is unlikely to increase to reflect the Adjusted 30 September 2023 Operative NAV or the Cash Consideration in the medium term, as:

- There are numerous Company specific issues, as have been previously announced, which have negatively impacted the Company’s share price, including:
 - the governance failures identified by the proposed transaction to sell 29 Catalogues to Hipgnosis Songs Capital, an affiliate of the Company’s Investment Adviser;
 - the findings of the Shot Tower due diligence report that informed the Board’s strategic review process; and
 - the cancellation of the Company’s dividends for the foreseeable future to maintain compliance with its banking covenants and to use operating cash flows to reduce gearing.

The Board considers that the Company therefore needs to undergo, and evidence the benefits of, substantial financial and governance changes to improve financial performance and achieve a material improvement in the share price, which is unlikely to be achieved in the short to medium term.

- Since 2021, there has been a widespread de-rating of share prices amongst listed investment funds invested across all alternative asset classes, driven largely by the effects of monetary policy to manage a global inflationary environment. Therefore, there is no assurance that, should Hipgnosis resolve the issues stated above and improve its financial performance, the share price will materially improve.

The Board also recognises that the terms and timing achievable in any process to realise value from the Company's assets, either by way of a managed wind down, or via the sale of the Company or its assets, are uncertain and may not occur on terms equal to or greater than the Adjusted 30 September 2023 Operative NAV or the Cash Consideration.

Furthermore, should the Group dispose of its music catalogue, it may crystallise tax charges, which would negatively impact shareholder returns. The Company estimates that, in the event that the Group sells all of its music catalogue at a price equal to the fair market value of the Hipgnosis catalogue, the Group's potential tax charge on these disposals, based on certain assumptions, would be approximately US\$30 million*.

In light of these uncertainties, the Board considers that the Cash Offer represents an attractive opportunity for Hipgnosis Shareholders to realise their holding in Hipgnosis in cash for at least US\$1.16 per Hipgnosis share, which represents:

- a 32.2 per cent. premium to the share price (as at the Latest Practicable Date); and
- a 4.3 per cent. premium to the Adjusted 30 September 2023 Operative NAV.

In arriving at its recommendation, the Board spoke to a number of potentially interested parties during the course of its strategic review. During this period the Board received a number of indicative and preliminary proposals, including a number of earlier proposals from Concord, all of which were less certain, and at a lower value than US\$1.16 (and the implied Sterling value as at the Latest Practicable Date).

Furthermore, the Board recognises that Hipgnosis' portfolio is part of a specialised alternative asset class and that it is the only LSE-listed investment company investing in music royalties. The Board views Concord as a suitable custodian of the Company and its assets from the perspective of all stakeholders, in particular the artists and songwriters whose music rights are owned by the Company. The Board has also appraised Concord's proven track record and internal infrastructure in acquiring and administering music rights and regard them as suitable for the scale of the Company's portfolio.

Accordingly, following careful consideration, the Hipgnosis Board intends to unanimously recommend that Scheme Shareholders vote in favour of the Scheme at the Court Meeting and that Hipgnosis Shareholders vote in favour of the Resolution at the General Meeting.

**This potential tax charge reflects both the impact of the historic amortisation of such assets, where the Group has already received a tax benefit to the extent available in each year of ownership and any change in value since purchase. This estimate does not include any assumptions as to the utilisation of any brought forward tax losses potentially available to the Group, tax deductible transaction expenses or from any potential opportunities to optimise the structure of any sale of assets, which could result in a lower tax charge on any future sale of the Group's assets.*

6 IRREVOCABLE UNDERTAKINGS AND LETTERS OF INTENT

Bidco has received irrevocable undertakings from each of the Hipgnosis Directors who are interested in Hipgnosis Shares to vote in favour of the Scheme at the Court Meeting and vote in favour of the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), in respect of, in aggregate, 327,796 Hipgnosis Shares representing approximately 0.03 per cent. of the issued share capital of Hipgnosis as at the Latest Practicable Date.

In addition to the irrevocable undertakings given by the Hipgnosis Directors as set out above, Bidco has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting, and in favour of the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), from Asset Value Investors Limited, CCLA Investment Management, Schroder & Co Limited, J O Hambro Capital Management Limited, Madison Avenue Partners, LP, Gresham House Asset Management Ltd, Hawksmoor Investment Management and Premier Fund Managers Limited in respect of, in aggregate, 284,917,641 Hipgnosis Shares representing approximately 23.56 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date.

Bidco has therefore received irrevocable undertakings from the Hipgnosis Directors and certain of the Hipgnosis Shareholders in respect of, in aggregate, 285,245,437 Hipgnosis Shares representing approximately 23.59 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date.

Bidco has also received a letter of intent to vote in favour of the Scheme at the Court Meeting, and in favour of the Resolution to be proposed at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), from Investec Wealth & Investment Limited in respect of, in aggregate, 70,000,000 Hipgnosis Shares representing approximately 5.79 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date.

The total number of Hipgnosis Shares which are therefore subject to irrevocable undertakings or letter of intent received by Bidco from Hipgnosis Shareholders is 355,245,437 Hipgnosis Shares, representing in aggregate approximately 29.38 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date.

Further details of the irrevocable undertakings and letters of intent given to Bidco (and the circumstances in which such arrangements will cease to be binding or otherwise fall away) are set out in Appendix 3 to this Announcement.

7 INFORMATION RELATING TO CONCORD, APOLLO AND BIDCO

Concord

Concord is an independent, worldwide leader in the development, management and acquisition of sound recordings, music publishing and theatrical performance rights and narrative content. It represents more than one million songs, composed works, plays, musicals and active recordings. Headquartered in Nashville, with additional offices in Berlin, London, Los Angeles, Melbourne, Miami and New York and staff in Auckland, Sydney, Toronto and Tokyo, Concord's repertoire is licensed globally. Concord has more than 650 employees, augmented by global partners, that provide full administration and distribution capabilities that allow it to service and manage assets of the sort owned by Hipgnosis.

Concord has a proven track record of strategic acquisitions and catalogue expansion. Since 2015, it has deployed more than US\$2.8 billion of capital and completed more than 100 transactions across recorded music, music publishing and theatricals. Notable acquisitions include Iagem Music Group (2017), the Imagine Dragons publishing catalogue (2020), the owned copyrights of Downtown (2021), and the catalogues of Phil Collins and his Genesis bandmates Tony Banks and Mike Rutherford (2022).

Most recently, Concord successfully acquired Round Hill Music Royalty Fund (2023), providing shareholders with a desirable all-cash exit at a value that received clear support from the market evidenced by the 99.9 per cent. votes in favour of the transaction. Concord continues to actively make acquisitions across all aspects of recorded music, music publishing and theatricals.

Apollo Global Management, Inc.

Apollo Global Management, Inc. ("**AGM**") is a high-growth, global alternative asset manager. Through its fully integrated investment platform spanning the full risk-reward spectrum from investment grade to private equity, AGM provides innovative capital solutions to businesses and invests in all parts of the capital structure. As of 31 December 2023, AGM had assets under management of approximately US\$651 billion across yield, hybrid, and equity strategies. The Apollo Funds have extensive experience that spans public and private credit and asset-backed financing as well equity investments and the ownership of public and private businesses.

Bidco

Bidco is a newly established private limited company incorporated in England and Wales for the purposes of the Acquisition. Bidco is a wholly owned subsidiary of a newly formed holding company, Chorus SPV, LLC ("**Holdco**"), a Delaware limited liability company, formed in connection with the Acquisition, which is a wholly-owned indirect subsidiary of Concord as at the date of this Announcement. At completion of the Acquisition, it is intended that Concord will, indirectly via subsidiaries, hold 80 per cent. of the equity share capital of Holdco and Apollo Funds will hold the remaining 20 per cent. of the equity share capital of Holdco. Concord and Apollo have entered into the Bid Conduct Agreement pursuant to which they have agreed to regulate their conduct in connection with the co-investment in Bidco.

8 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 of cultural importance 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.

9 DIVIDENDS

The terms of the Acquisition are based on the assumption that no dividends or other distributions will be authorised, declared or paid on or before the Effective Date. Bidco reserves the right to reduce the price payable for each Scheme Share pursuant to the Acquisition by up to the amount per Scheme Share of any dividends or distributions authorised, declared or paid on or before the Effective Date.

10 INTENTIONS FOR HIPGNOSIS

The Bidco Directors believe that, following completion of the Acquisition, the Combined Group will have a stronger position, as a result of Concord's enlarged catalogue post-acquisition and believes that the Acquisition provides an attractive opportunity for Bidco to accelerate Concord's existing growth strategy. The assets being acquired are of a quality and type consistent with Concord's existing holdings, and Concord will leverage its existing operations and expertise to create value for all stakeholders. Following the Acquisition, the Bidco Directors intend that the assets of Hipgnosis will be fully integrated into Concord's regular operations after a brief transition period with the Investment Adviser, and managed alongside the other iconic assets owned and managed by the Wider Bidco Group.

Board of Hipgnosis Directors

Following completion of the Acquisition, Bidco intends to de-list Hipgnosis and to surrender Hipgnosis' registration as a collective investment scheme regulated by the GFSC and as a self-managed AIF under the EU AIFM Directive and the UK AIFMD. Consequently, Hipgnosis will not require listed company governance structures and it is accordingly intended that each of the Hipgnosis Directors will step down from the board of Hipgnosis upon completion of the Acquisition.

The board of Bidco will remain unchanged following the Acquisition and will continue to provide the complementary skills necessary to drive the Combined Group forward following completion of the Acquisition.

Investment Adviser

Concord intend to engage with Hipgnosis and the Investment Adviser to discuss the termination of the Investment Advisory Agreement with effect from the Effective Date. Following a short transition period, Concord intend to assume the delivery of those services currently provided by the Investment Adviser. Any such assumption will be effected with a view to delivering optimal value to stakeholders and continuity of service. If the Investment Advisory Agreement is terminated, those persons employed by the Investment Adviser whose principal role is to carry out activities on behalf of Hipgnosis shall cease to carry out activities on behalf of Hipgnosis, unless arrangements are made otherwise.

As at the Latest Practicable Date, no discussions regarding the termination of the Investment Advisory Agreement have taken place between Concord and the Investment Adviser, and there is therefore no guarantee whether and, if so, what terms will be entered into in respect of the termination of the Investment Advisory Agreement. Further announcements via a Regulatory Information Service will be made in due course, as necessary.

Management, employees and pensions scheme

The Hipgnosis Group has 34 employees and offers a 401k plan to employees of the Hipgnosis Group. Hipgnosis does not operate a defined benefit pension plan. Bidco intends to review personnel requirements of the Combined Group following completion of the Acquisition to ascertain its business needs. It is likely that approximately 55 to 65 per cent. of existing roles in the Hipgnosis Group will be terminated.

There are no forms of incentivisation arrangements with members of Hipgnosis' management and Bidco has not entered into, and has not had any discussions on proposals to enter into any form of incentivisation arrangements with members of Hipgnosis' management.

Locations, registered office, fixed assets and R&D

The employees are currently based at leasehold premises in Tennessee, California and New York. The premises in Tennessee, California and New York are the only premises of Hipgnosis, other than its registered office. Following completion of the Acquisition, Bidco will look to terminate the leases for these premises, in accordance with the terms of the relevant lease.

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.

Listing

It is intended that dealings in, and registration of transfers of, Hipgnosis Shares (other than the registration of the transfer of the Scheme Shares to Bidco pursuant to the Scheme) will be suspended shortly before the Effective Date at a time to be set out in the Scheme Document. It is further intended that applications will be made to the London Stock Exchange to cancel trading in the Hipgnosis Shares on the Main Market, and to the Financial Conduct Authority to cancel the listing of the Hipgnosis Shares on the Official List, in each case with effect from or shortly following the Effective Date. Further details about the de-listing and cancellation of trading of the Hipgnosis Shares can be found in paragraph 16.

Financing

Hipgnosis' existing debt facility arrangements will be repaid by Concord on completion of the Acquisition.

No post-offer undertakings

No statements in this paragraph 10 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.

11 FINANCING OF THE ACQUISITION

The Acquisition will be financed by a combination of debt and equity financing. The equity financing will be provided by Concord and the Apollo Funds, and the debt financing will be provided by the Apollo Funds.

J.P. Morgan Cazenove, as financial advisor to Bidco, is satisfied that sufficient resources are available to Bidco to enable it to satisfy in full the Cash Consideration under the terms of the Acquisition.

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

12 OFFER-RELATED ARRANGEMENTS

Confidentiality Agreement

Concord and Hipgnosis have entered into the Confidentiality Agreement (which contains mutual confidentiality obligations) pursuant to which each party has undertaken to keep confidential, and to procure that certain of its representatives keep confidential, information relating to the other party

and/or to the Acquisition, to use such information solely for the agreed purposes in relation to the Acquisition and not to disclose it to third parties (other than to permitted disclosees) unless required by law or regulation.

Co-Operation Agreement

Bidco, Concord and Hipgnosis have entered into the Co-Operation Agreement pursuant to which, among other things, Bidco and Hipgnosis have undertaken to use reasonable endeavours to implement the Acquisition and to promptly engage with the European Commission or the relevant Governmental Body (as applicable) in respect of the Regulatory Conditions.

Hipgnosis has undertaken to provide promptly such information and assistance to Bidco as Bidco may reasonably require for the purposes of, among other matters, satisfying the Regulatory Conditions.

The Co-Operation Agreement will terminate in certain circumstances, including (subject to certain exceptions):

- if agreed in writing between the parties, at any time prior to the Effective Date;
- upon service of written notice by Bidco to Hipgnosis, if one or more of the following occurs:
 - i. prior to the Long Stop Date, a third party announces a possible offer or firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for Hipgnosis which the Hipgnosis Directors recommend or state publicly their intention to recommend; or
 - ii. a Hipgnosis Board Adverse Recommendation Change (as defined in the Co-Operation Agreement) occurs; or
- upon service of written notice by either party to the other party, if one or more of the following occurs:
 - i. prior to the Long Stop Date, any Condition has been invoked by Bidco (where (if permission is required) the invocation of the relevant Condition is permitted by the Panel);
 - ii. prior to the Long Stop Date, a third party announces a possible offer or firm intention to make an offer or revised offer (whether or not subject to the satisfaction or waiver of any pre-conditions) for Hipgnosis which completes, becomes effective or is declared or becomes unconditional in all respects;
 - iii. if the Offer is withdrawn, terminated or lapses in accordance with its terms prior to the Long Stop Date and, where required, with the consent of the Panel (other than where: (i) such lapse or withdrawal is as a result of the exercise of Bidco's right to effect a Switch (as defined in the Co-Operation Agreement); or (ii) it is otherwise to be followed within five (5) Business Days (or such other period as Hipgnosis and Bidco may agree) by an announcement under Rule 2.7 of the Takeover Code made by Bidco or any person acting in concert with Bidco (or deemed to be acting in concert with Bidco) to implement the Offer by a different offer or scheme on substantially the same or improved terms);
 - iv. if the Scheme is not approved by the Scheme Shareholders at the Court Meeting and/or the Hipgnosis Shareholders at the General Meeting, or the Court refuses to sanction the Scheme; or
 - v. unless otherwise agreed by the parties in writing or required by the Panel, if the Effective Date has not occurred by the Long Stop Date.

The Co-Operation Agreement also includes an acknowledgement that Bidco intends to engage with Hipgnosis and the Investment Adviser as soon as practicable following this Announcement to agree terms for the termination of the Investment Advisory Agreement with effect from the Effective Date.

13 DISCLOSURE OF INTERESTS IN HIPGNOSIS

As at the close of business on the Latest Practicable Date, save for the irrevocable undertakings referred to in paragraph 6 of this Announcement and 391,965 Hipgnosis Shares owned by certain senior executives of Concord, who are deemed to be acting in concert with Bidco for the purposes of the Acquisition, neither Apollo, Bidco nor any of the Bidco Directors nor, so far as Bidco is aware, any person acting in concert (within the meaning of the Takeover Code) with it for the purposes of the Acquisition had:

- any interest in or a right to subscribe for any relevant securities of Hipgnosis;
- 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;
- borrowed or lent any relevant securities of Hipgnosis (including, for these purposes, any financial collateral arrangements of the kind referred to in Note 4 on Rule 4.6 of the Takeover Code); or
- entered into any dealing arrangement of the kind referred to in Note 11 on the definition of acting in concert in the Takeover Code, in relation to any relevant securities of Hipgnosis.

For these purposes:

“interests in securities” arise, in summary, when a person has long economic exposure, whether absolute or conditional, to changes in the price of securities (and a person who only has a short position in securities is not treated as interested in those securities). In particular, a person will be treated as having an ‘interest’ by virtue of the ownership, voting rights or control of securities, or by virtue of any agreement to purchase, option in respect of, or derivative referenced to, securities; and

“relevant securities of Hipgnosis” are Hipgnosis Shares or securities convertible or exchangeable into Hipgnosis Shares.

In the interests of secrecy prior to this Announcement, it has not been practicable for Bidco to make enquiries of all of its concert parties in advance of the release of this Announcement to determine whether any dealings in Hipgnosis Shares by such persons give rise to a requirement under Rule 6 or Rule 11 of the Takeover Code for Bidco to offer any minimum level, or particular form, of consideration. Therefore, if Bidco becomes aware, following the making of such enquiries, that any of its concert parties have any such interests in 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 (whether the right, option or obligation is conditional or absolute and whether it is in the money or otherwise).

14 OPENING POSITION DISCLOSURE

Each of Bidco and Hipgnosis confirms that it will make an Opening Position Disclosure, setting out the details required to be disclosed by it under Rule 8 of the Takeover Code, by no later than 12.00 p.m. (London time) on 2 May 2024.

15 STRUCTURE OF THE ACQUISITION

Scheme of arrangement

It is intended that the Acquisition will be effected by means of a Court-sanctioned scheme of arrangement between Hipgnosis and Scheme Shareholders under Part VIII of the Companies Law. The procedure involves, among other things, an application by Hipgnosis to the Court to sanction the Scheme, in consideration for which Scheme Shareholders who are on the Hipgnosis register of members at the Scheme Record Time will receive consideration for their Scheme Shares on the basis set out in paragraph 2 above. The purpose of the Scheme is to provide for Bidco to become the holder of the entire issued and to be issued share capital of Hipgnosis.

Conditions

The implementation of the Scheme will be subject to the Conditions and further terms set out in Appendix 1 to this Announcement and all terms and conditions will be set out in full in the Scheme Document including, amongst other things, the:

- the satisfaction or waiver of the Regulatory Conditions;
- approval of the Scheme by a majority in number of the Scheme Shareholders who are present and voting (and entitled to vote), either in person or by proxy, at the Court Meeting or at any adjournment or postponement thereof and who represent not less than 75 per cent. of the voting rights held by such Scheme Shareholders;
- passing of the Resolution by the requisite majority at the General Meeting;
- sanction of the Scheme by the Court; and
- Scheme becoming Effective by 11.59 p.m. on the Long Stop Date.

The Scheme will lapse and the Acquisition will not take place if:

- either the Court Meeting or the General Meeting are not held by the 22nd day after the expected date of such meeting to be set out in each case in the Scheme Document (or such later date(s) as may be agreed between Bidco and Hipgnosis and the Court may allow); or
- the Court Hearing to approve the Scheme is not held by the 22nd day after the expected date of the Court Hearing to be set out in the Scheme Document (or such later date as may be agreed between Bidco and Hipgnosis and the Court may allow); or
- the Scheme does not become Effective by 11.59 p.m. on the Long Stop Date,

provided however that the deadlines for the timing of the Court Meeting, the General Meeting and the Court Hearing to approve the Scheme as set out above may be waived by Bidco, and the deadline for the Scheme to become Effective may be extended by agreement between Hipgnosis and Bidco (with the Panel's consent and as the Court may approve (if such consent and/or approval is required)).

Once the necessary approvals from Scheme Shareholders and Hipgnosis Shareholders have been obtained and the other Conditions have been satisfied or (where applicable) waived, the Scheme must be sanctioned by the Court (with or without modification but with any such modification being acceptable to Hipgnosis and Bidco). The Scheme will become Effective upon delivery to the Guernsey Registry of a copy of the Court Order (which must occur within 7 days after making the Court Order in accordance with the Companies Law). Upon the Scheme becoming Effective, it will be binding on all Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the General Meeting (and if they attended and voted, whether or not they voted in favour of the resolutions proposed at such meetings).

Further details of the Scheme, including an indicative timetable for its implementation, will be set out in the Scheme Document, which, together with the Forms of Proxy, is expected to be dispatched to Hipgnosis Shareholders as soon as practicable and, in any event, within 28 days of this Announcement. It is expected that the Court Meeting and the General Meeting will be held on or around 10 June 2024 and that, subject to the satisfaction of the Conditions and the further terms set out in Appendix 1 to this Announcement and the further terms and conditions to be set out in full in the Scheme Document, the Scheme is expected to become Effective in the third quarter of this year.

The Scheme will be governed by Guernsey law and will be subject to the jurisdiction of the Court. The Scheme will be subject to the applicable requirements of the Takeover Code, the Panel, the London Stock Exchange and the FCA.

Right to switch to a Takeover Offer

Bidco has reserved the right to elect, subject to the consent of the Panel, for the Acquisition to be implemented by way of a Takeover Offer. In this event, the Takeover Offer will be implemented on the same terms, so far as applicable, as those which would apply to the Scheme. If Bidco does elect to implement the Acquisition by way of a Takeover Offer, and if sufficient acceptances of such Takeover Offer are received and/or sufficient Hipgnosis Shares are otherwise acquired, it is the intention of Bidco

to apply the provisions of Part XVIII of the Companies Law to acquire compulsorily any outstanding Hipgnosis Shares to which such Acquisition relates.

16 **DELISTING OF HIPGNOSIS SHARES**

Prior to the Scheme becoming effective, Hipgnosis will make an application to the London Stock Exchange to cancel trading in the Hipgnosis Shares on its Main Market and to the Financial Conduct Authority to cancel the listing of the Hipgnosis Shares from the Official List, in each case on or shortly after the Effective Date. The last day of dealings in the Hipgnosis Shares on the Main Market is expected to be the Business Day immediately prior to the Court Hearing and no transfers will be registered after 6.00 p.m. on that date.

On the Effective Date, Hipgnosis will become a wholly owned subsidiary of Bidco and share certificates in respect of Hipgnosis Shares will cease to be valid and should be destroyed. In addition, entitlements to Hipgnosis Shares held within the CREST system will be cancelled on the Effective Date.

Upon the Scheme becoming Effective, Bidco (and/or its nominee(s)) will acquire the Scheme Shares fully paid and free from all liens, equitable interests, charges, encumbrances and other third party rights of any nature whatsoever and together with all rights attaching to them including the right to receive and retain all dividends and distributions (if any) declared after the Effective Date.

17 **GENERAL**

The bases and sources of certain financial information contained in this Announcement are set out in Appendix 2 to this Announcement. A summary of the irrevocable undertakings given in relation to the Acquisition is contained in Appendix 3 to this Announcement. The valuation report for Hipgnosis' portfolio of investments (as at 26 March 2024) is set out in Appendix 4 to this Announcement pursuant to Rule 29 of the Takeover Code. Certain terms used in this Announcement are defined in Appendix 5 to this Announcement.

Each of J.P. Morgan Cazenove and Singer Capital Markets has given and not withdrawn its consent to the publication of this Announcement with the inclusion herein of the references to its name in the form and context in which it appears.

Shot Tower has given and not withdrawn its consent to the publication of its valuation report in this Announcement with the inclusion of the references to its name and, where applicable, the valuation report in the form and context in which they are included.

18 **DOCUMENTS AVAILABLE ON WEBSITE**

Copies of the following documents will be made available on <https://communications.singercm.com/p/4UWI-ETV/recommended-cash-offer-hipgnosis> and on Bidco's website at www.projectchorus.com by no later than 12.00 p.m. London time on the Business Day following this Announcement until the end of the Acquisition:

- a copy of this Announcement;
- the irrevocable undertakings and letters of intent referred to in paragraphs 4 and 6 above and summarised in Appendix 3 to this Announcement;
- the written consents of J.P. Morgan, Singer Capital Markets and Shot Tower to being named in this Announcement;
- the valuation report from Shot Tower;
- the Confidentiality Agreement;
- the Co-Operation Agreement; and
- documents relating to Bidco's financing of the Acquisition.

Enquiries:

Concord

+1 629 401 3906

Kelly Voigt (SVP, Corporate Communications)

Apollo +44 20 7016 5000
Erin Clark

J.P. Morgan Cazenove (Sole Financial Adviser to Bidco) +44 203 493 8000
Jonty Edwards
Rupert Budge
Edward Hatter
Greg Slack

H/Advisors Maitland (PR Adviser to Concord and Bidco)
Neil Bennett +44 7900 000777
Jonathan Cook +44 7730 777865

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 Advisor 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

Reed Smith LLP is retained as UK legal adviser to Concord and Bidco, Latham & Watkins (London) LLP is retained as UK legal adviser to Apollo, and Shoosmiths LLP is retained as UK legal adviser to Hipgnosis. DLA Piper LLP and DLA Piper UK LLP are retained as legal adviser to Concord and Bidco in connection with finance aspects of the transaction.

Mourant Ozannes (Guernsey) LLP is retained as Guernsey legal adviser to Concord and Carey Olsen (Guernsey) LLP is retained as Guernsey legal adviser to Hipgnosis.

Important notices

J.P. Morgan Securities LLC, together with its affiliate J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove and which is authorised in the United Kingdom by the Prudential Regulation Authority (the "PRA") and regulated in the United Kingdom by the PRA and the FCA (together, "J.P. Morgan Cazenove") is acting as financial adviser exclusively to Bidco and no one else in connection with the Acquisition and will not regard any other person as their client in relation to the Acquisition and will not be responsible to anyone other than Bidco for providing the protections afforded to clients of J.P. Morgan Cazenove or its affiliates, nor for providing advice in relation to the Acquisition or any other matter or arrangement referred to herein.

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 to sell or an invitation to purchase any securities or a solicitation of an offer to buy, otherwise acquire, subscribe for, sell or otherwise dispose of any securities pursuant to the Acquisition or otherwise, nor shall there be any purchase, sale, issuance or exchange of securities or such solicitation in any jurisdiction in

which such offer, invitation, solicitation, purchase, sale, issuance or exchange is unlawful. The Acquisition will be made solely by means of the Scheme Document (or, if the Acquisition is implemented by way of a Takeover Offer, any document by which the Takeover Offer is made) and the accompanying Forms of Proxy (or forms of acceptance, if applicable), which will contain the full terms and conditions of the Acquisition, including details of how to vote in respect of the resolutions proposed in connection with the Acquisition. Any vote, approval, decision in respect of, or other response to, the Acquisition should be made only on the basis of the information contained in the Scheme Document (or any other document by which the Acquisition is made by way of a Takeover Offer).

The statements contained in this Announcement are made as at the date of this Announcement, unless some other time is specified in relation to them, and the release of this Announcement shall not give rise to any implication that there has been no change in the facts set out in this Announcement since such date.

This Announcement does not constitute a prospectus or prospectus equivalent document.

Hipgnosis Shareholders should not make any investment decision in relation to the Acquisition except on the basis of the Scheme Document (or any other document by which the Acquisition is made by way of a Takeover Offer). Hipgnosis and Bidco urge Hipgnosis Shareholders to read the whole of the Scheme Document when it becomes available because it will contain important information relating to the Acquisition.

No person should construe the contents of this Announcement as legal, financial or tax advice. 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 from an independent financial adviser duly authorised under FSMA if you are resident in the United Kingdom, or another appropriately authorised independent financial adviser, if you are in a territory outside the United Kingdom.

Overseas Shareholders

This Announcement has been prepared for the purpose of complying with Guernsey law, English law, the Takeover Code, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules and the Listing Rules and information disclosed may not be the same as that which would have been disclosed if this Announcement had been prepared in accordance with the laws of jurisdictions outside the United Kingdom or Guernsey. Nothing in this Announcement should be relied on for any other purpose.

The release, publication or distribution of this Announcement in or into, jurisdictions other than the United Kingdom or Guernsey may be restricted by the laws and/or regulations of those jurisdictions and therefore persons into whose possession this Announcement comes who are subject to the laws and/or regulations of any jurisdiction other than the United Kingdom or Guernsey should inform themselves about and observe any such applicable laws and/or regulations in their jurisdiction. In particular, the ability of persons who are not resident in the United Kingdom or Guernsey to vote their Scheme Shares or Hipgnosis Shares (as applicable) with respect to the Scheme at the Court Meeting or the General Meeting, or to appoint another person as proxy to vote at the Court Meeting or the General Meeting on their behalf, may be affected by the laws of the relevant jurisdiction in which they are located. Further details in relation to Overseas Shareholders will be contained in the Scheme Document. Any failure to comply with any such 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.

Unless otherwise determined by Hipgnosis or required by the Takeover Code, and permitted by applicable law and regulation, the Acquisition will not be made available, 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 Scheme by any such use, means, instrumentality or form from within a Restricted Jurisdiction or any other jurisdiction if to do so would constitute a violation of the laws of that jurisdiction. Accordingly, copies of this Announcement and all documents relating to the Acquisition are not being, and must not be, directly or indirectly, mailed or otherwise forwarded, distributed or sent in, into or from a Restricted Jurisdiction where to do so would violate the laws in that jurisdiction, and persons receiving this Announcement and all documents relating to the Acquisition (including custodians, nominees and trustees) must not mail or otherwise distribute or send them in, into or from such jurisdictions where to do so would violate the laws in that jurisdiction. If the Acquisition is implemented by a Takeover Offer (unless otherwise permitted by applicable law or regulation), the Takeover Offer may not be made, directly or indirectly, in or into or by use of the mails or any other means or instrumentality (including, without limitation, facsimile, email or other electronic transmission, telex or telephone) of interstate or foreign commerce of, or any facility of a national state or other securities exchange, of any Restricted Jurisdiction and the Takeover Offer will not be capable of acceptance by any such use, means, instrumentality or facilities or from or within any Restricted Jurisdiction.

Further details in relation to Overseas Shareholders will be contained in the Scheme Document.

Additional information for US investors

Hipgnosis Shareholders in the United States should note that the Acquisition relates to the securities of a Guernsey company with a listing on the London Stock Exchange and is proposed to be effected by means of a scheme of arrangement provided for under, and governed by, the Companies Law. This Announcement, the Scheme Document and certain other documents relating to the Acquisition have been or will be prepared in accordance with Guernsey law, English law, the Takeover Code and UK disclosure requirements, format and style, all of which differ from those in the United States. A transaction effected by means of a scheme of arrangement is not subject to the tender offer rules or the proxy solicitation rules under the US Exchange Act. Accordingly, the Acquisition is subject to the procedural and disclosure requirements and practices applicable to a scheme of arrangement involving a target company organised in Guernsey and listed on the London Stock Exchange, which differ from the procedural and disclosure requirements of the United States tender offer rules and proxy solicitation rules under the US Exchange Act. If, in the future, Bidco exercises the right to implement the Acquisition by way of a Takeover Offer and determines to extend the offer into the United States, the Acquisition will be made in compliance with applicable United States laws and regulations. Such Takeover Offer would be made by Bidco and no one else.

The financial information that is included in this Announcement or that may be included in the Scheme Document, or any other documents relating to the Acquisition, has been or will be prepared in accordance with IFRS and may not be comparable to financial statements of companies in the United States or other companies whose financial statements are prepared in accordance with US generally accepted accounting principles.

The Hipgnosis Shares have not been approved or disapproved by the Securities Exchange Commission or any US state securities commission, nor have any such authorities passed judgment upon the fairness or the merits of the Acquisition or determined if this Announcement is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

US holders of Hipgnosis Shares should also be aware that the transaction contemplated herein may have tax consequences in the United States and that such consequences, if any, are not described herein. US holders of Hipgnosis Shares are urged to consult with independent professional advisors regarding the legal, tax and financial consequences of the Acquisition applicable to them.

It may be difficult for US holders of Hipgnosis Shares to enforce their rights and claims arising out of US federal securities laws, since Hipgnosis is incorporated outside the United States, and its officers and directors may be residents of, and some or all of their assets may be located in, countries other than the United States. US holders of Hipgnosis Shares may have difficulty effecting service of process within the United States upon those persons or recovering against judgments of US courts, including judgments based upon the civil liability provisions of the US federal securities laws. US holders may not be able to sue a non-US company or its officers or directors in a non-US court for violations of US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

In accordance with normal practice in the UK and Guernsey and consistent with Rule 14e-5(b) of the US Exchange Act, Bidco, certain affiliated companies and their nominees or brokers (acting as agents) may make certain purchases of, or arrangements to purchase, shares in Hipgnosis outside the United States, other than pursuant to the Acquisition, until the date on which the Acquisition and/or Scheme becomes Effective, lapses or is otherwise withdrawn. If such purchases or arrangements to purchase were to be made they would occur either in the open market at prevailing prices or in private transactions at negotiated prices and comply with applicable law, including the US Exchange Act. Any information about such purchases or arrangements to purchase 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 at www.londonstockexchange.com.

Further details in relation to US investors will be contained in the Scheme Document.

Forward-looking statements

This Announcement (including information incorporated by reference in this Announcement), oral statements made regarding the Acquisition, and other information published by Concord, Apollo, Bidco or Hipgnosis contain statements about Bidco and Hipgnosis and/or the Wider Bidco Group that are or may be deemed to be forward-looking statements. All statements other than statements of historical facts included in this Announcement, may be forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "will", "may", "anticipates", "estimates", "hopes", "projects", "continue", "schedule" or words or terms of similar substance or the negative thereof, are forward-looking statements. Forward-looking statements 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 Concord's, Apollo's or Hipgnosis' or the Wider Bidco Group's operations and potential synergies resulting from the Acquisition; and (iii) the effects of government regulation on Concord's, Apollo's or Hipgnosis' or the Wider Bidco Group's business.

These forward-looking statements are not based on historical fact and are not guarantees of future performance. By their nature, such forward-looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results to differ materially from those projected or implied in any forward-looking statements. Many of these risks and uncertainties relate to factors that are beyond the entities' ability to control or estimate precisely. These factors include, but are not limited to, the satisfaction of or failure to satisfy all or any of the conditions to the Acquisition, as well as additional factors, such as changes in political and economic conditions, changes in the level of capital investment, retention of key employees, changes in customer habits, success of business and operating initiatives and restructuring objectives, the impact of any acquisitions or similar transactions, changes in customers' strategies and stability, competitive product and pricing measures, changes in the regulatory environment, fluctuations of interest and exchange rates and the outcome of any litigation.

Neither Bidco or Hipgnosis, nor any of their respective associates or directors, officers, employees 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. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this Announcement. All subsequent oral or written forward-looking statements attributable to Bidco or Hipgnosis or any of their respective members, directors, officers, employees or advisers or any persons acting on their behalf are expressly qualified in their entirety by the cautionary statement above. Bidco and Hipgnosis expressly disclaim any obligation to update any forward-looking or other statements contained in this Announcement, except as required by applicable law or by the rules of any competent regulatory authority, whether as a result of new information, future events or otherwise.

Disclosure requirements of the City Code on Takeovers and Mergers

Under Rule 8.3(a) of the Takeover Code, any person who is interested in 1 per cent. 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) applies must be made by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Takeover Code) following the commencement of the Offer Period and, if appropriate, by no later than 3.30 p.m. (London time) on the 10th Business Day (as defined in the Takeover Code) 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 per cent. 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 p.m. (London time) on the Business Day (as defined in the Takeover Code) 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 of the Takeover Code).

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 Panel's website at 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.

Right to switch to a Takeover Offer

Bidco reserves the right to elect, with the consent of the Panel, to implement the Acquisition by way of a Takeover Offer for the entire issued and to be issued ordinary share capital of Hipgnosis as an alternative to the Scheme. In such an event, the Takeover Offer will be implemented on the same terms or, if Bidco so decides, on such other terms being no less favourable (subject to appropriate amendments), so far as applicable, as those which would apply to the Scheme and subject to the amendment referred to in Part B of Appendix 1 to this Announcement.

Publication of this Announcement on websites and availability of hard copies

A copy of this Announcement and the documents required to be published pursuant to Rules 26.1 and 26.2 of the Takeover Code will be available, free of charge, subject to certain restrictions relating to persons resident in Restricted Jurisdictions, on <https://communications.singercm.com/p/4UWI-ETV/recommended-cash-offer-hipgnosis> and Bidco's website at www.projectchorus.com by no later than 12.00 p.m. on the Business Day following the date of this Announcement.

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.

Information relating to Hipgnosis Shareholders

Please be aware that addresses, electronic addresses and certain 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 exact arithmetic aggregation of the figures that precede them.

Rule 2.9 of the Takeover Code

For the purposes of Rule 2.9 of the Takeover Code, Hipgnosis confirms that, as at the Latest Practicable Date, it had 1,209,214,286 ordinary shares of no par value in issue and admitted to trading on the London Stock Exchange and 2,000,000 shares held in treasury. The ISIN of the Hipgnosis Shares is GG00BFYT9H72.

APPENDIX 1
CONDITIONS TO AND CERTAIN FURTHER TERMS OF THE ACQUISITION

PART A

CONDITIONS TO THE SCHEME AND THE ACQUISITION

Long Stop Date

1. The Acquisition will be conditional upon the Scheme becoming unconditional and becoming Effective, subject to the provisions of the Takeover Code, by no later than 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 and (if required) the Court may allow.

Scheme approval

2. The Scheme will be conditional upon:

(a)

- (i) its approval by a majority in number representing 75 per cent. or more of the voting rights of the Scheme Shareholders (or the relevant class or classes thereof) who are on the register of members of Hipgnosis at the Scheme Voting Record Time and who are present and vote, whether in person or by proxy, at the Court Meeting, and at any separate class meeting which may be required by the Court, or, in each case, at any adjournment or postponement of any such meeting; and
- (ii) the Court Meeting and any separate class meeting which may be required by the Court or any adjournment or postponement of any such meeting being held on or before the 22nd day after the expected date of the Court Meeting to be set out in the Scheme Document (or such later date (if any) as may be agreed by Bidco and Hipgnosis with the consent of the Panel and (if required) the Court may allow);

(b)

- (i) all resolutions necessary to approve and implement the Scheme, as set out in the notice of the General Meeting, being duly passed by the requisite majority or majorities of Hipgnosis Shareholders at the General Meeting (or at any adjournment or postponement thereof); and
- (ii) the General Meeting (or any adjournment or postponement of that meeting) being held on or before the 22nd day after the expected date of the General Meeting to be set out in the Scheme Document (or such later date (if any) as may be agreed by Bidco and Hipgnosis with the consent of the Panel and (if required) the Court may allow);

(c)

- (i) the sanction of the Scheme by the Court (with or without modification, but subject to any modification being on terms acceptable to Bidco and Hipgnosis); and
- (ii) the Court Hearing being held on or before the 22nd day after the expected date of the Court Hearing to be set out either in (X) the Scheme Document (or such later date (if any) as may be agreed by Bidco and Hipgnosis with the consent of the Panel and (if required) that the Court may allow); or (Y) in the event that such expected date remains unknown at the time of publication of the Scheme Document and the Scheme Document identifies any date as indicative only, in any update announcement issued through a Regulatory Information Service (or such later date (if any) as may be agreed by Bidco and Hipgnosis, with the consent of the Panel and (if required) that the Court may allow).

Anti-trust and regulatory clearances

3. In addition, 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 make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived prior to the Scheme being sanctioned by the Court:

European Union

- (a) to the extent that the Acquisition constitutes a concentration that is subject to review by the European Commission under Council Regulation (EC) No. 139/2004 (the "**EC Merger Regulation**"), the European Commission having adopted a decision to allow closing of the Acquisition; or
- (b) to the extent that all or part of the Acquisition falls within the exclusive competence of or is referred by the European Commission to the relevant Governmental Body of one or more member countries of the European Economic Area, such relevant Governmental Body(ies) having issued a final decision or decisions which satisfies (or together satisfy) Condition 3(a) above (that clause being interpreted *mutandis mutatis*);

United Kingdom

- (c) insofar as the Competition and Markets Authority ("**CMA**") requests information in relation 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 otherwise cleared the Acquisition pursuant to the Enterprise Act.

Notifications, waiting periods and Authorisations

4. In addition, and save in respect of Conditions 3(a) to 3(c) 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 make the Scheme Effective will not be taken unless the following Conditions (as amended if appropriate) have been satisfied or, where relevant, waived prior to the Scheme being sanctioned by the Court:
- (a) all material notifications, filings and/or applications which are necessary under applicable legislation or regulation having been made, all necessary waiting and other time periods (including any extensions of such waiting and other time periods) 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;
 - (b) all Authorisations which are 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, in terms and in a form reasonably satisfactory to Bidco from all appropriate Third Parties or 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 Authorisations, together with all Authorisations necessary for any member of the Wider Hipgnosis Group to carry on its business, remaining in full force and effect and all filings necessary for such purpose having been made, and there being no notice or other intimation of any intention to revoke, suspend, restrict, modify or not to renew any of the same;

General regulatory

- (c) no Third Party having given notice of a decision to take, institute, implement or threaten any action, proceeding, suit, investigation, enquiry or reference (and, in each case, not having withdrawn the same), or having required any action to be taken, or otherwise having done anything, or having enacted, made or proposed any statute, regulation, decision or order or change to published practice, and there not continuing to be outstanding any

statute, regulation, decision or order or having taken any other action or step which would or might reasonably be expected to:

- (i) require, prevent or materially delay any divestiture, or alter the terms envisaged for any proposed 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 respective businesses (or any part thereof) or to own, control or manage any of their assets or property (or any part thereof);
- (ii) 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, hold or to exercise effectively all or any rights of ownership in respect of shares or other securities (or the equivalent) in any member of the Wider Hipgnosis Group or the Wider Bidco 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 all or any rights of ownership in respect of shares or other securities (or the equivalent) in, or to exercise voting or management control over, any such member;
- (iii) otherwise materially adversely affect any or all of the business, assets, profits, financial or trading position, or prospects of any member of the Wider Bidco Group or any member of the Wider Hipgnosis Group;
- (iv) result in any member of the Wider Bidco Group ceasing to be able to carry on business under any name under which it presently carries on business;
- (v) make the Acquisition, its implementation, or the acquisition or the proposed acquisition of any shares or other securities (or the equivalent) in, or control or management of Hipgnosis or any member of the Wider Hipgnosis Group by Bidco or any member of the Wider Bidco Group void, unenforceable and/or illegal under the laws of any jurisdiction, or otherwise, directly or indirectly prevent or prohibit, restrict, restrain, materially delay or otherwise materially interfere with the implementation of the same, or impose additional adverse conditions or obligations with respect to, or otherwise challenge, impede, 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, Hipgnosis by any member of the Wider Bidco Group;
- (vi) require, prevent or materially delay any 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 Hipgnosis or any member of the Wider Hipgnosis Group;
- (vii) require (save as envisaged in the implementation of the Acquisition or by Part XVIII of the Companies Law) any member of the Wider Bidco Group or of the Hipgnosis Group to acquire, or to offer to acquire, any shares or other securities (or the equivalent) in, or any interest in any of the assets owned by, any member of the Wider Bidco Group or any member of the Wider Hipgnosis Group owned by any Third Party, or to sell or offer to sell any shares or other securities (or their equivalent) or any interest in any of the assets owned by any member of the Wider Bidco Group or the Wider Hipgnosis Group;
or
- (viii) impose any 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 its business 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 all applicable waiting and other time periods (including any extensions thereof) during which any such antitrust regulator or Third Party could decide to take, institute, implement or threaten any such action, proceeding, suit, investigation, enquiry or reference or take any other step under the laws of any relevant jurisdiction in respect of the Acquisition or the acquisition of any Hipgnosis Shares or otherwise intervene having expired, lapsed or been terminated (as the case may be);

Certain matters arising as a result of any arrangement, agreement, etc

- (d) except as Disclosed, there being no provision of any arrangement, agreement, lease, licence, permit, franchise 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 subject to, or any event or circumstance, which, in each case as a consequence of the Acquisition (or its implementation) or the proposed acquisition by Bidco or any member of the Wider Bidco Group, or otherwise of any shares or other securities (or the equivalent) in, or control or management of, Hipgnosis or any member of the Wider Hipgnosis Group, would or might reasonably be expected to result in, in any case to an extent which is or would be material in the context of the Wider Hipgnosis Group taken as a whole or in the context of the Acquisition:
- (i) any monies borrowed by, or any other indebtedness or liabilities, 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 before 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;
 - (ii) the creation or enforcement of any mortgage, charge or other security interest over the whole or any part of the business, property, assets or interests of any member of the Wider Hipgnosis Group, or any such mortgage, charge, encumbrance or other security interest (wherever and whenever created, arising or having arisen) being enforced or becoming enforceable;
 - (iii) any arrangement, agreement, lease, licence, permit, franchise or other instrument, or the rights, liabilities, obligations or interests of any member of the Wider Hipgnosis Group thereunder, being, terminated, adversely modified or adversely affected or any adverse action being taken or arising thereunder or any onerous obligation or liability arising thereunder;
 - (iv) any asset or interest of any member of the Wider Hipgnosis Group 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 ceasing to be available to any member of the Wider Hipgnosis Group 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;
 - (v) the rights, liabilities, obligations or interests of any member of the Wider Hipgnosis Group in, or the business of any such member with, any person, firm, company or body (or any arrangement or arrangements relating to any such interest or business) being terminated, adversely modified or adversely affected other than as directed, requested and/or required by Bidco;
 - (vi) the value of, or the financial or trading position or profits of, any member of the Wider Hipgnosis Group being prejudiced or adversely affected;
 - (vii) the creation or acceleration of any 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 in connection with the Acquisition; or
 - (viii) any member of the Wider Hipgnosis Group being required to acquire or repay any shares in and/or indebtedness of any member of the Wider Hipgnosis Group owned by or owed to any Third Party;

Certain events occurring since 31 March 2023

- (e) except as Disclosed, no member of the Wider Hipgnosis Group having since 31 March 2023:
- (i) 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 the equivalent) or securities convertible into, or exchangeable for, or rights, warrants or options to subscribe for or acquire, any such shares, securities (or the equivalent) 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);

- (ii) recommended, declared, paid or made, or proposed to recommend, declare, pay or make, any bonus, dividend or other distribution (whether payable in cash or otherwise) other than the quarterly dividends paid on 28 April 2023 and 28 July 2023 or any dividends or other distributions (whether payable in cash or otherwise) lawfully paid or made by any wholly-owned subsidiary of Hipgnosis to Hipgnosis or any of their respective wholly-owned subsidiaries;
- (iii) except for transactions between Hipgnosis and its respective wholly-owned subsidiaries, or between such wholly-owned subsidiaries of Hipgnosis, implemented, effected, authorised or proposed, or announced its intention to implement, effect, authorise or propose, any acquisition of any body corporate, partnership or business, merger, demerger, reconstruction, amalgamation, scheme, commitment or offer or disposal of assets or shares or loan capital (or the equivalent thereof);
- (iv) undertaken:
 - (A) a conversion under Part V of the Companies Law;
 - (B) an amalgamation under Part VI of the Companies Law;
 - (C) a migration under Part VII of the Companies Law; or
 - (D) an arrangement or reconstruction (other than the Scheme) under Part VIII of the Companies Law;
- (v) except for transactions between Hipgnosis and its respective wholly-owned subsidiaries, or between such wholly-owned subsidiaries of Hipgnosis, acquired or disposed of or transferred, mortgaged, charged or created any security interest over any material asset (including shares in any undertaking and trade investments) or any right, title or interest in any asset, or authorised, proposed or announced any intention to do the same;
- (vi) except for transactions between Hipgnosis and its respective wholly-owned subsidiaries, or between such wholly-owned subsidiaries of Hipgnosis, 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 other trade credit incurred in the ordinary course of business, or become subject to any contingent liability or incurred or increased any indebtedness or other liability (actual or contingent), which is material in the context of the Wider Hipgnosis Group taken as a whole;
- (vii) entered into, varied, authorised, proposed, or announced an intention to enter into or vary, any contract, arrangement, agreement, transaction or commitment (whether in respect of capital expenditure or otherwise) which is of a long term, unusual or onerous nature or magnitude, or which is or which involves or could involve an obligation of a nature or magnitude which is or could reasonably be expected to be restrictive on the business of any member of the Wider Hipgnosis Group which, taken together with any other such transaction, arrangement, agreement, contract or commitment, is material in the context of the Wider Hipgnosis Group taken as a whole;
- (viii) entered into, or materially varied the terms of, or made any offer (which remains open for acceptance) to enter into or vary the terms of, any contract, service agreement, commitment or arrangement with any director of any member of the Wider Hipgnosis Group;
- (ix) purchased, redeemed or repaid, or announced any proposal to purchase, redeem or repay, any of its own shares or other securities (or the equivalent) or reduced or made any other change to any part of its share capital;
- (x) except in the ordinary course of business, waived, compromised or settled any claim which is material in the context of the Wider Hipgnosis Group taken as a whole;

- (xi) 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 reasonably be expected to, have a material adverse effect on the financial position or prospects of the Wider Hipgnosis Group taken as a whole other than as directed, required and/or requested by Bidco;
- (xii) made any material alteration to its memorandum or articles of incorporation or other incorporation documents (in each case, other than in connection with the implementation of the Acquisition);
- (xiii) put in place any pension schemes for its directors or their dependants, or made or agreed or consented to any change to:
 - (A) the terms of the trust deeds and rules constituting the pension scheme(s) (if any) established by any member of the Wider Hipgnosis Group for its directors or their dependants;
 - (B) the contributions payable to any such scheme(s) or to the benefits which accrue, or to the pensions which are payable, thereunder;
 - (C) the basis on which qualification for, or accrual or entitlement to, such benefits or pensions are calculated or determined; or
 - (D) the basis upon which the liabilities (including pensions) of such pension schemes are funded, valued, made, agreed or consented to;
- (xiv) 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;
- (xv) (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 or 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 a receiver, administrator, manager, administrative receiver, trustee or similar officer of all or any of its assets or revenues or any analogous or equivalent steps or proceedings in any jurisdiction or appointed any analogous person in any jurisdiction or had any such person appointed;
- (xvi) except for transactions between Hipgnosis and its respective wholly-owned subsidiaries, or between such wholly-owned subsidiaries, made, authorised, proposed or announced an intention to propose any change in its loan capital;
- (xvii) entered into, implemented or authorised the entry into, any joint venture, asset or profit sharing arrangement, partnership or merger of business or corporate entities;
- (xviii) entered into any agreement, arrangement, commitment or contract 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 4(e); or
- (xix) 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 adverse change, litigation, regulatory enquiry or similar

- (f) since 31 March 2023, except as Disclosed:
 - (i) no adverse change or deterioration having arisen in the business, assets, financial or trading position or profits or prospects or operational performance of the Wider

Hipgnosis Group taken as a whole, which in any case is material in the context of the Wider Hipgnosis Group taken as a whole;

- (ii) no litigation, arbitration proceedings, prosecution or other legal proceedings having been threatened, announced or instituted by or against or remaining outstanding against (and in each case not having been withdrawn and/or resolved) or in respect of, 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, defendant or otherwise) having been threatened, announced, instituted or remaining outstanding by, against or in respect of, any member of the Wider Hipgnosis Group, which in any case is or might reasonably be expected to have a material adverse effect on the Wider Hipgnosis Group taken as a whole;
- (iii) no enquiry, review or investigation by, or complaint or reference to, any Third Party against or in respect of any member of the Wider Hipgnosis Group having been threatened, announced or instituted or remaining outstanding by, against (and in each case not having been withdrawn and/or resolved) or in respect of any member of the Wider Hipgnosis Group, which in any case is or might reasonably be expected to have a material adverse effect on the Wider Hipgnosis Group taken as a whole;
- (iv) no contingent or other liability having arisen, or become apparent to any member of the Wider Bidco Group, or increased which is reasonably likely to affect adversely the business, assets, financial or trading position or profits or prospects of any member of the Wider Hipgnosis Group, which in any case is material in the context of the Wider Hipgnosis Group taken as a whole;
- (v) no claim being made and no circumstance having arisen which might reasonably be expected to lead to a claim being made under the insurance of any member of the Wider Hipgnosis Group where such claim would not be covered by such insurance and which in any case is material in the context of the Wider Hipgnosis Group taken as a whole;
- (vi) no member of the Wider Hipgnosis Group having conducted its business in breach of any applicable laws and regulations which is material in the context of the Wider Hipgnosis Group taken as a whole; and
- (vii) 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, permit or consent held by any member of the Wider Hipgnosis Group which is necessary for the proper carrying on of its business and which in any case is material in the context of the Wider Hipgnosis Group taken as a whole;

No discovery of certain matters regarding information, liabilities and environmental issues

- (g) except as Disclosed, Bidco not having discovered that (in each case to an extent which is or could be material in the context of the Wider Hipgnosis Group taken as a whole or material in the context of the Acquisition):
 - (i) any financial, business or other information concerning the Wider Hipgnosis Group publicly announced before the date of this Announcement by or on behalf of any member of the Wider Hipgnosis Group is materially misleading, contains any material misrepresentation of fact, or omits to state a fact necessary to make any information contained therein not misleading;
 - (ii) any member of the Wider Hipgnosis Group is subject to any liability, contingent or otherwise;
 - (iii) any information which affects the import of any information disclosed at any time by or on behalf of any member of the Wider Hipgnosis Group;
 - (iv) any past or present member of the Wider Hipgnosis Group has failed to comply with any applicable legislation or regulations or common law of any jurisdiction or any notice, order or requirement of any Third Party or any Authorisations relating to the use, treatment, storage, carriage, disposal, discharge, spillage, release, leak or emission of any waste or hazardous or harmful substance or any substance likely to impair the environment (including property) or harm human or animal health or otherwise relating

to environmental matters or the health and safety of humans, which non-compliance would be likely to give rise to any material liability including any penalty for non-compliance (whether actual or contingent) on the part of any member of the Wider Hipgnosis Group;

- (v) there is or has been a disposal, discharge, spillage, accumulation, release, leak, emission or the migration, production, supply, treatment, storage, transport or use of any waste or hazardous or harmful substance or any substance likely to impair the environment (including any property) or harm human or animal health which (whether or not giving rise to non-compliance with any law or regulation), would be likely to give rise to any material liability (whether actual or contingent) on the part of any member of the Wider Hipgnosis Group; or
- (vi) there is or is reasonably likely to be any obligation or liability (whether actual or contingent) or requirement to make good, remediate, repair, reinstate or clean up any property or controlled waters, currently or previously owned, occupied, operated or made use of or controlled by any past or present member of the Wider Hipgnosis Group (or on its behalf), or in which any such member may have or previously have had or be deemed to have had an interest, under any environmental legislation, common law, regulation, notice, circular, Authorisation or order of any Third Party in any jurisdiction or to contribute to the cost thereof or associated therewith or indemnify any person in relation thereto.

Anti-corruption, sanctions and criminal property

- (h) save as Disclosed, Bidco not having discovered that:
 - (i) any past or present member, director, officer or employee of the Wider Hipgnosis Group is or has at any time engaged in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, the Prevention of Corruption (Bailiwick of Guernsey) Law 2003 or any other anti-corruption legislation or anti-bribery law, rule or regulation applicable to the Wider Hipgnosis Group or any other law, rule or regulation concerning improper payments or kickbacks; or any person that performs or has performed services for or on behalf of the Wider Hipgnosis Group is or has at any time engaged in any activity, practice or conduct in connection with the performance of such services which would constitute an offence under the Bribery Act 2010, the US Foreign Corrupt Practices Act of 1977, the Prevention of Corruption (Bailiwick of Guernsey) Law 2003 or any other anti-corruption legislation or anti-bribery law, rule or regulation or any other law, rule or regulation concerning improper payments or kickbacks;
 - (ii) 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) or proceeds of crime under any other applicable law, rule, or regulation concerning money laundering or proceeds of crime or any member of the Wider Hipgnosis Group is found to have engaged in activities constituting money laundering;
 - (iii) any past or present member, director, officer or employee of the Wider Hipgnosis Group, or any other person for whom any such person may be liable or responsible, is or has engaged in any conduct or business which would violate any economic sanctions or dealt with, made any investments in, made any funds or assets available to or received any funds or assets from: (a) any government, entity or individual in respect of which US, UK or European Union persons, or persons operating in those territories, are prohibited from engaging in activities or doing business, or from receiving or making available funds or economic resources, by applicable US or European Union laws or regulations, including the economic sanctions administered by the United States Office of Foreign Assets Control or HM Treasury & Customs in the United Kingdom; or (b) any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the UK, the European Union or any of their respective member states;
 - (iv) any past or present member, director, officer or employee of the Wider Hipgnosis Group, or any other person for whom any such person may be liable or responsible:

- (A) has engaged in conduct which would violate any relevant anti-terrorism laws, rules, or regulations, including but not limited to the U.S. Anti-Terrorism Act;
- (B) has engaged in conduct which would violate any relevant anti-boycott law, rule, or regulation or any applicable export controls, including but not limited to the Export Administration Regulations administered and enforced by the U.S. Department of Commerce or the International Traffic in Arms Regulations administered and enforced by the U.S. Department of State;
- (C) has engaged in conduct which would violate any relevant laws, rules, or regulations concerning human rights, including but not limited to any law, rule, or regulation concerning false imprisonment, torture or other cruel and unusual punishment, or child labour;
- (D) is debarred or otherwise rendered ineligible to bid for or to perform contracts for or with any government, governmental instrumentality, or international organisation or found to have violated any applicable law, rule, or regulation concerning government contracting or public procurement; or
- (v) any member of the Wider Hipgnosis Group has or is engaged in any transaction which would cause Bidco or any member of the Wider Bidco Group to be in breach of any applicable law or regulation upon its acquisition of Hipgnosis, including but not limited to the economic sanctions of the United States Office of Foreign Assets Control or HM Treasury & Customs in the United Kingdom, or any government, entity or individual targeted by any of the economic sanctions of the United Nations, the United States, the UK, the European Union or any of its member states.

PART B

CERTAIN FURTHER TERMS OF THE ACQUISITION

1. Conditions 2(a), 2(b), 3(a) to 3(c) (inclusive) and 4(a) to 4(h) (inclusive) of Part A above must be fulfilled or (if capable of waiver) waived by no later than 11.59 p.m. (London time) on the date immediately preceding the date of the Court Hearing (or such later date as Bidco, Hipgnosis, the Panel and, if required, the Court may allow), failing which the Acquisition will lapse, or if the Acquisition is implemented by way of Takeover Offer, no later than as permitted by the Panel.
2. To the extent permitted by law and subject to the requirements of the Panel in accordance with 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, above, and to proceed with the Court Hearing prior to the fulfilment, satisfaction or waiver of any of the Conditions, except Conditions 1, 2(a)(i), 2(b)(i) and 2(c)(i) which cannot be waived. If any of Conditions 2(a)(ii), 2(b)(ii) or 2(c)(ii) is not satisfied by the relevant deadline specified in the relevant Condition, Bidco will make an announcement by 8.00 a.m. (London time) 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.
3. The Acquisition will lapse if the Scheme does not become Effective by no later than 11.59 p.m. (London time) on the Long Stop Date.
4. If Bidco is required by the Panel to make a Takeover Offer for Hipgnosis Shares under the provisions of Rule 9 of the Takeover Code, Bidco may make such alterations to any of the above Conditions and terms of the Acquisition as are necessary to comply with the provisions of that Rule.
5. Bidco will 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 by a date earlier than the latest date for the fulfilment or waiver 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 satisfaction or fulfilment.
6. The Hipgnosis Shares to be acquired pursuant to the Acquisition will be acquired fully paid and free from all liens, equities, charges, encumbrances, options, rights of pre-emption and any other third party

rights and interests of any nature and together with all rights now or hereafter attaching or accruing to them, including, without limitation, voting rights and the right to receive and retain in full all dividends and other distributions (if any) declared, made or paid, or any other return of capital (whether by reduction of share capital or share premium account or otherwise) made, on or after the date of this Announcement.

7. Bidco reserves the right (without prejudice to any right of Bidco to invoke Condition 4(e)(ii) in Part A of this Appendix 1) to reduce the consideration payable by the amount per Hipgnosis Share of any such subsequent dividend, distribution or other return of value, in which case: (a) any reference in this Announcement or in the Scheme Document to the consideration payable for the Hipgnosis Shares will be deemed to be a reference to the consideration payable as so reduced; and (b) the relevant eligible Hipgnosis Shareholders will be entitled to receive and retain such dividend, distribution or return of value. To the extent that any such dividend, distribution or other return of value announced, declared, made or paid is: (x) transferred pursuant to the Acquisition on a basis which entitles Bidco to receive the dividend or distribution and to retain it; or (y) cancelled, the consideration payable will not be subject to change in accordance with this paragraph. 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 Acquisition.
8. No amounts of cash of less than one cent would be paid to any Scheme Shareholder pursuant to the Scheme and the aggregate amount of cash to which a Scheme Shareholder would be entitled under the Scheme would be rounded down to the nearest cent.
9. Under Rule 13.5(a) of the Takeover Code, 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. The conditions contained in Conditions 1 and 2 of Part A above (and any Takeover Offer Acceptance Condition (as defined below) adopted on the basis specified in paragraphs 4 or 9 of this Part B) are not subject to this provision of the Takeover Code. Any Condition that is subject to Rule 13.5(a) may be waived by Bidco.
10. Bidco reserves the right to elect (with the consent of the Panel (where necessary)) to implement the Acquisition by way of a Takeover Offer as an alternative to the Scheme. In such event, the Acquisition will be implemented on the same terms and conditions (subject to appropriate amendments, including (without limitation) an acceptance condition set at 90 per cent. of the issued share capital of Hipgnosis (or such lower percentage (being more than 50 per cent.) of the issued share capital of Hipgnosis as Bidco may, subject to the rules of the Takeover Code and with the consent of the Panel, decide) as those which would apply to the Scheme (each a "**Takeover Offer Acceptance Condition**"). Further, if sufficient acceptances of such Takeover Offer are received and/or sufficient Hipgnosis Shares are otherwise acquired, it is the intention of Bidco to apply the provisions of Part XVIII of the Companies Law to compulsorily acquire any outstanding Hipgnosis Shares to which such Takeover Offer relates.
11. The availability of the Acquisition to Hipgnosis Shareholders not resident in the United Kingdom or Guernsey may be affected by the laws of the relevant jurisdictions. Persons who are not resident in the United Kingdom or Guernsey should inform themselves about and observe any applicable requirements. Further details in relation to overseas shareholders will be contained in the Scheme Document.
12. The Acquisition is not being made, directly or indirectly, in, into or from, or by use of the mails of, or by any means of 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 where to do so would violate the laws of that jurisdiction.
13. The Acquisition and the Scheme will be governed by the laws of Guernsey and be subject to the jurisdiction of the Court and to the conditions and further terms set out in this Appendix 1 and the full terms and conditions to be set out in the Scheme Document. The Acquisition will also be subject to the applicable requirements of the Companies Law, the Court (as a result of Hipgnosis being incorporated in Guernsey), the GFSC, the FCA, the London Stock Exchange and the Takeover Code.
14. Each of the Conditions will be regarded as a separate Condition and will not be limited by reference to any other Condition.

**APPENDIX 2
BASES AND SOURCES**

- 1 Unless otherwise stated, all financial information relating to Hipgnosis is prepared in accordance with IFRS and has been extracted or derived (without adjustment from: (i) the audited financial statements of Hipgnosis for the period ended 31 March 2023, and (ii) the unaudited interim financial statements contained in the interim results of Hipgnosis for the period ended 30 September 2023).
- 2 All Closing Prices for Hipgnosis Shares have been derived from Bloomberg as of 17 April 2024, being the Latest Practicable Date, unless stated otherwise.
- 3 Volume weighted average prices have been derived from Bloomberg as of 17 April 2024, being the Latest Practicable Date, and have been rounded.
- 4 As at the Latest Practicable date, there were 1,209,214,286 Hipgnosis Shares in issue, all of which are credited as fully paid and 2,000,000 Hipgnosis shares were held as treasury shares.
- 5 As at the Latest Practicable Date, the number of Hipgnosis Shares eligible to vote on: (i) the Scheme at the Court Meeting is 1,208,822,321 Hipgnosis Shares (which excludes shares held as treasury shares and the Hipgnosis Shares owned by certain senior executives of Concord); and (ii) the Resolution at the General Meeting is 1,208,822,321 Hipgnosis Shares (which excludes shares held as treasury shares and the Hipgnosis Shares owned by certain senior executives of Concord).
- 6 Valuation information relating to Hipgnosis' portfolio of investments is from the valuation report produced by Shot Tower as set out in Appendix 4 of this announcement.
- 7 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⁽¹⁾	Adjustment for Operative NAV as per the Interim Results to 30 September 2023⁽²⁾	Operative NAV as per the Interim Results to 30 September 2023⁽²⁾	Adjustment for sale of portfolio of non-core assets⁽³⁾	Adjustment for double counting of accrued revenue⁽⁴⁾	Adjustment for Fair Market Value of the Catalogues of Songs (as at 26 March 2024)⁽⁵⁾	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)
Net assets	\$1,331,529		\$2,102,906				\$1,344,352
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

Net asset value per share ⁽⁶⁾	£0.885		£1.398				£0.893
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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

6. Using the GBP:USD exchange rate of 1:1.2443 as of 17:00 GMT on 17 April 2024

**APPENDIX 3
IRREVOCABLE UNDERTAKINGS**

Summary of Irrevocable Undertakings

Name of beneficial holder	Number of Hipgnosis Shares in respect of which undertaking is given	Percentage of Hipgnosis Shares in issue at the Latest Practicable Date (%)
Hipgnosis Directors	327,796	0.027
Other Hipgnosis Shareholders	284,917,641	23.562
Total Hipgnosis Shares	285,245,437	23.589

Irrevocable Undertakings from the Hipgnosis Directors

The following Hipgnosis Directors have given irrevocable undertakings in respect of their entire beneficial holdings of Hipgnosis Shares to vote or procure votes in favour of the Resolution to be proposed at the General Meeting, amounting in aggregate to 327,796 Hipgnosis Shares, representing approximately 0.027 per cent. of Hipgnosis' existing issued ordinary share capital as at close of business on the Latest Practicable Date:

Name	Number of Hipgnosis Shares in respect of which undertaking is given	Percentage of Hipgnosis Shares in issue at the Latest Practicable Date (%)
Robert Naylor	100,000	0.008
Simon Holden	150,796	0.012
Francis Keeling	50,000	0.004
Cindy Rampersaud	27,000	0.002

These irrevocable undertakings will cease to bind if:

- (i) the Scheme Document or, if the Acquisition is implemented by way of a Takeover Offer, the offer document (as applicable) has not been posted to Hipgnosis Shareholders within 28 days of the issue of this Announcement (or within such longer period as Bidco and Hipgnosis, with the consent of the panel, may agree);
- (ii) the Scheme or Takeover Offer (as applicable) or the Resolution to be proposed is not approved by the requisite majority of the Hipgnosis Shareholders at the General Meeting or the Court Meeting;
- (iii) the Scheme or Takeover Offer (as applicable) has not become Effective, or become or been declared unconditional in all respects (as the case may be), on or before the Long Stop Date;
- (iv) the Scheme does not become Effective or, as applicable, the Offer lapses or is withdrawn and no new, revised or replacement Scheme or Takeover Offer is or has been announced in accordance with the Takeover Code at the same time;
- (v) before despatch of the Scheme Document or, if the Acquisition is implemented by way of a Takeover Offer, the offer document (as the case may be) any event occurs or becomes known to Bidco or its financial adviser as a result of which the Panel requires or agrees that Bidco need not make the offer; or
- (vi) any competing offer for the entire issued and to be issued share capital of Hipgnosis is declared unconditional or, if implemented by way of a scheme of arrangement, becomes effective

Irrevocable Undertakings from other Hipgnosis Shareholders

In addition to the irrevocable undertakings given by the Hipgnosis Directors as set out above, Bidco has received irrevocable undertakings to vote in favour of the Scheme at the Court Meeting, and in favour of the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), in respect of, in aggregate, 284,917,641 Hipgnosis Shares representing approximately 23.56 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date.

Name of Hipgnosis Shareholder	Number of Hipgnosis Shares in respect of which undertaking is given	Percentage of Hipgnosis Shares in issue at the Latest Practicable Date (%)
Asset Value Investors Limited	90,141,594	7.455
CCLA Investment Management	57,725,227	4.774
Schroder & Co Limited	54,247,904	4.486
J O Hambro Capital Management Limited	20,453,123	1.691
Madison Avenue Partners, LP	18,621,841	1.540
Gresham House Asset Management Ltd	16,585,952	1.372
Hawksmoor Investment Management	15,585,000	1.289
Premier Fund Managers Limited	11,557,000	0.956

These irrevocable undertakings will cease to bind:

- (i) if the Scheme Document or, if the Acquisition is implemented by way of a Takeover Offer, the offer document (as applicable) has not been posted to Hipgnosis Shareholders within 28 days of the issue of this Announcement (or within such longer period as Bidco and Hipgnosis, with the consent of the Panel, may agree);
- (ii) in the case of Madison Avenue Partners, LP, if the Court Meeting and the General Meeting are not held by 30 June 2024;
- (iii) if the Scheme or Takeover Offer (as applicable) or the Resolution is not approved by the requisite majority of: (a) the Scheme Shareholders at the Court Meeting or (b) the Hipgnosis Shareholders at the General Meeting (as the case may be);
- (iv) if the Scheme or Takeover Offer (as applicable) has not become Effective, or become or been declared unconditional in all respects (as the case may be), on or before the Long Stop Date;
- (v) if the Scheme does not become Effective or, as applicable, the offer lapses or is withdrawn and no new, revised or replacement Scheme or Takeover Offer is or has been announced in accordance with the Takeover Code at the same time;
- (vi) if before despatch of the Scheme Document or, if the Acquisition is implemented by way of a Takeover Offer, the offer document (as the case may be) any event occurs or becomes known to Bidco or its financial adviser as a result of which the Panel requires or agrees that Bidco need not make the offer;
- (vii) if any competing offer for the entire issued and to be issued share capital of Hipgnosis is declared unconditional or, if implemented by way of a scheme of arrangement, becomes effective;
- (viii) if a competing offer for the entire issued and to be issued ordinary share capital of Hipgnosis, howsoever structured, is announced provided that such offer represents a value per Hipgnosis Share of not less than 10 per cent above the maximum value of the offer price of US\$1.18 per Scheme Share (or in the case of Madison Avenue Partners, LP, a value per Hipgnosis Share of not less than 5 per cent above the value of the offer price of US\$1.16 per Scheme Share (excluding any contingent element of the consideration); or
- (ix) in the case of Premier Fund Managers Limited, in respect of any Hipgnosis Shares that are required to be sold to meet redemption requests or to ensure compliance with the investment and borrowing limits set out under the FCA's Collective Investment Scheme Sourcebook, provided they have used all reasonable endeavours to explore other options to meet these regulatory obligations.

Letter of Intent

Bidco has also received a non-binding letter of intent to vote in favour of the Scheme at the Court Meeting, and in favour of the Resolution at the General Meeting (or, in the event that the Acquisition is implemented by way of a Takeover Offer, to accept or procure acceptance of the Takeover Offer), in respect of, in aggregate, 70,000,000 Hipgnosis Shares representing approximately 5.789 per cent. of Hipgnosis' issued share capital as at the Latest Practicable Date.

Name of Hipgnosis Shareholder	Number of Hipgnosis Shares in respect of which undertaking is given	Percentage of Hipgnosis Shares in issue at the Latest Practicable Date (%)
Investec Wealth & Investment Limited	70,000,000	5.789

**APPENDIX 4
VALUATION REPORT**

To view the full valuation report, please click on the below link:
<https://communications.singercm.com/p/4UWI-ETV/recommended-cash-offer-hipgnosis>

APPENDIX 5 DEFINITIONS

The following definitions apply throughout this Announcement unless the context requires otherwise.

“A&R”	artists and repertoire;
“Acquisition”	the proposed acquisition by Bidco of the entire issued and to be issued ordinary share capital of Hipgnosis, to be implemented by means of the Scheme (or by way of a Takeover Offer under certain circumstances described in this Announcement) and, where the context requires, any subsequent revision, variation, extension or renewal thereof;
“Adjusted 30 September 2023 Operative NAV”	Hipgnosis’ Operative NAV based on the Operative NAV as at 30 September 2023 of US\$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 8;
“AIF”	an alternative investment fund, within the meaning of the EU AIFM Directive or the UK AIFMD Laws (as applicable)
“Announcement”	this announcement made pursuant to Rule 2.7 of the Takeover Code;
“Announcement Exchange Rate”	the GBP:USD exchange rate of 1:1.2443 as at 17:00 GMT on 17 April 2024 as derived from data provided by Bloomberg;
“Apollo”	Apollo Capital Management, L.P. and/or one or more of its affiliates;
“Apollo Funds”	certain investment funds, accounts or entities managed, advised and/or affiliated with, and/or owned (in whole or in part) or controlled by, Apollo;
“Authorisations”	regulatory authorisations, orders, recognitions, grants, consents, clearances, confirmations, certificates, licences, permissions or approvals;
“Bid Conduct Agreement”	the bid conduct agreement dated 18 April 2024 between Concord and Apollo;
“Bidco”	Concord Chorus Limited;
“Bidco Group”	Bidco and its subsidiaries and subsidiary undertakings from time to time and, where the context permits, each of them;
“Bidco Directors”	the directors of Bidco at the date of this Announcement or, where the context so requires, the directors of Bidco from time to time;
“Business Day”	a day (other than Saturdays, Sundays and public holidays in the UK and Guernsey) on which banks are generally open for normal business in the City of London and Guernsey;
“Call Option”	pursuant to the terms of the Investment Advisory Agreement, the Investment Adviser’s right to acquire Hipgnosis’ portfolio (as at the date of termination of the Investment Advisory Agreement) in the event the Investment Adviser is terminated in certain specified circumstances;
“Concord”	Alchemy Copyrights, LLC, trading as Concord;

“Concord Group”	Concord and its subsidiaries and subsidiary undertakings from time to time and, where the context permits, each of them;
“Closing Price”	the closing middle market quotation of a Hipgnosis Share as derived from Bloomberg on any particular date;
“Combined Group”	the Concord Group and the Bidco Group as enlarged by the Hipgnosis Group following completion of the Acquisition;
“Companies Act”	the UK Companies Act 2006, as amended from time to time;
“Companies Law”	the Companies (Guernsey) Law, 2008, as amended from time to time;
“Conditions”	the conditions of the Acquisition set out in Appendix 1 to this Announcement and to be set out in full in the Scheme Document;
“Confidentiality Agreement”	the confidentiality agreement dated 27 March 2024 between Concord and Hipgnosis;
“Co-Operation Agreement”	the co-operation agreement dated 18 April 2024 between Bidco and Hipgnosis;
“Court”	the Royal Court of Guernsey;
“Court Hearing”	the Court hearing at which Hipgnosis will seek an order sanctioning the Scheme for the purposes of section 110 of the Companies Law;
“Court Meeting”	the meeting or meetings of the Scheme Shareholders to be convened pursuant to an order of the Court pursuant to section 107 of the Companies Law for the purpose of considering and, if thought fit, approving the Scheme, including any adjournment, postponement or reconvention of any such meeting, notice of which shall be contained in the Scheme Document;
“Court Order”	the order of the Court sanctioning the Scheme;
“CREST”	the system for the paperless settlement of trades in securities and the holding of uncertificated securities operated by Euroclear in accordance with the Uncertificated Securities (Guernsey) Regulations, 2009;
“Dealing Disclosure”	an announcement pursuant to Rule 8 of the Takeover Code containing details of dealings in interests in relevant securities of a party to an offer;
“Disclosed”	the information disclosed: (i) fairly in writing to Bidco (or its respective officers, employees, agents or advisers) by, or on behalf of, the Hipgnosis Group in connection with the Acquisition (including via the virtual data room established by, or on behalf of, Hipgnosis for the purposes of the Acquisition) prior to the publication of this Announcement; (ii) in the annual report and accounts of the Hipgnosis Group for the financial year ended 31 March 2023; (iii) in this Announcement; and/or (iv) in any other announcement made by, or on behalf of, Hipgnosis via a Regulatory Information Service before the publication of this Announcement;
“Disclosure Guidance and Transparency Rules”	the disclosure guidance and transparency rules made by the FCA under Part VI of FSMA;
“Effective”	in the context of the Acquisition: (i) if the Acquisition is implemented by way of the Scheme, the Scheme having become effective in accordance with its

terms upon the delivery of a copy of the Court Order to the Guernsey Registry; or

- (ii) if Bidco elects to implement the Acquisition by way of a Takeover Offer, such Takeover Offer having been declared unconditional in all respects in accordance with the requirements of the Takeover Code;

“Effective Date”	the date on which the Scheme becomes Effective;
“EU AIFM Directive”	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers and amending Directives 2003/41/EC and 2009/65/EC and Regulations (EC) No 1060/2009 and (EU) No 1095/2010, and the EU AIFM Delegated Regulation;
“Euroclear”	Euroclear UK & International Limited, the operator of CREST;
“European Union”	the economic and political confederation of European nations which share a common foreign and security policy and co-operate on justice and home affairs known as the European Union;
“Excluded Shares”	any Hipgnosis Shares which are: (i) registered in the name of, or beneficially owned by, Bidco or any other member of the Wider Bidco Group or any of their respective nominees or associates; or (ii) held as treasury shares, in each case at any relevant time;
“FCA” or “Financial Conduct Authority”	the Financial Conduct Authority acting in its capacity as the competent authority for the purposes of Part VI of FSMA, or any successor regulatory body;
“Forms of Proxy”	the forms of proxy in connection with each of the Court Meeting and the General Meeting which will accompany the Scheme Document;
“FSMA”	the Financial Services and Markets Act 2000, as amended from time to time;
“General Meeting”	the general meeting of Hipgnosis Shareholders (including any adjournment, postponement or reconvention thereof) to be convened for the purpose of authorising the Hipgnosis Directors to take all actions necessary for carrying the Scheme into effect and making certain amendments to the Hipgnosis Articles;
“GFSC”	the Guernsey Financial Services Commission;
“Governmental Body”	any supranational, national, state, municipal, local or foreign government, any minister or instrumentality, subdivision, court or tribunal, arbitrator or arbitrator panel, regulatory or administrative agency or commission, or other authority thereof, or any regulatory or quasi-regulatory organisation or private body exercising any regulatory, taxing, importing or other governmental or quasi-governmental authority;
“Gross Asset Value”	at any date, the aggregate of: (i) the value of all the investments of Hipgnosis as determined by the 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;
“Guernsey”	the Island of Guernsey;

"Guernsey Registry"	the body authorised by the State of Guernsey to maintain various registers as required under Guernsey legislation and operating under the name Guernsey Registry;
"Hipgnosis" or "Company"	Hipgnosis Songs Fund Limited, a non-cellular company incorporated under the laws of Guernsey with registered number 65158 and which has its registered office at PO Box 286, Floor 2, Trafalgar Court, Les Banques, St Peter Port, Guernsey GY1 4LY;
"Hipgnosis Articles"	the articles of incorporation of Hipgnosis, as amended from time to time;
"Hipgnosis Directors" or "Hipgnosis Board"	the directors of Hipgnosis at the date of this Announcement or, where the context so requires, the directors of Hipgnosis from time to time;
"Hipgnosis Group"	Hipgnosis and its subsidiaries and subsidiary undertakings from time to time and, where the context permits, each of them;
"Hipgnosis Shareholders"	holders of Hipgnosis Shares from time to time;
"Hipgnosis Shares"	ordinary shares of no par value in the capital of Hipgnosis and each being a "Hipgnosis Share" ;
"Hipgnosis Sub"	Hipgnosis Songs Holdings UK Limited;
"Holdco"	Chorus SPV, LLC;
"IFRS"	International Financial Reporting Standards;
"Investment Adviser"	Hipgnosis Song Management Limited;
"Investment Advisory Agreement"	the investment advisory agreement between the Investment Adviser, Hipgnosis and Hipgnosis Songs Holdings UK Limited dated 27 June 2018;
"ISIN"	International Securities Identification Number;
"J.P. Morgan Cazenove"	J.P. Morgan Securities LLC and its affiliate J.P. Morgan Securities plc, which conducts its UK investment banking business as J.P. Morgan Cazenove, financial adviser to Bidco;
"Latest Practicable Date"	17 April 2024;
"Listing Rules"	the rules and regulations made by the FCA under FSMA and contained in the publication of the same name, as amended from time to time;
"London Stock Exchange"	London Stock Exchange Group plc;
"Long Stop Date"	5 November 2024 or such later date (if any) as Bidco and Hipgnosis may (with the consent of the Panel) agree and (if required) the Court may allow;
"Main Market"	the London Stock Exchange's main market for listed securities;
"Market Abuse Regulation"	the UK version of EU Regulation No. 596/2014, which has effect in English law by virtue of the European Union (Withdrawal) Act 2018, as amended by the Market Abuse (Amendment) (EU Exit) Regulations 2019;
"Offer Period"	the offer period (as defined by the Takeover Code) relating to Hipgnosis, which commenced on the date of this Announcement;
"Official List"	the official list of the FCA;

“Opening Position Disclosure”	has the same meaning as in Rule 8 of the Takeover Code;
“Operative NAV”	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;
“Operative NAV per Hipgnosis Share”	the Operative NAV divided by the number of Hipgnosis Shares in issue at the time of calculation;
“Overseas Shareholders”	Hipgnosis Shareholders (or nominees of, or custodians or trustees for Hipgnosis Shareholders) not resident in, or nationals or citizens of, the United Kingdom or Guernsey;
“Panel”	the UK Panel on Takeovers and Mergers;
“Regulatory Conditions”	the conditions set out in paragraphs 3(a) to 3(c) of Appendix 1 to this Announcement;
“Regulatory Information Service”	any information service approved by the London Stock Exchange for the distribution to the public of announcements and included within the list maintained on the London Stock Exchange’s website;
“Resolution”	the resolution proposed to be passed at the General Meeting in connection with the amendment of the Hipgnosis Articles and such other matters as may be necessary to implement the Scheme;
“Restricted Jurisdiction”	any jurisdiction where local laws or regulations may result in a significant risk of civil, regulatory or criminal exposure if information concerning the Scheme is sent or made available to Hipgnosis Shareholders in that jurisdiction;
“Scheme”	the proposed scheme of arrangement under Part VIII of the Companies Law between Hipgnosis and Scheme Shareholders in connection with the Acquisition, with or subject to any modification, addition or condition approved or imposed by the Court and agreed by Hipgnosis and Bidco;
“Scheme Document”	the document to be sent to Hipgnosis Shareholders containing, amongst other things, the full terms and conditions of the Scheme, an explanatory statement in compliance with Part VIII of the Companies Law, and the notices convening the Court Meeting and the General Meeting;
“Scheme Record Time”	the time and date specified in the Scheme Document by reference to which the entitlements of Scheme Shareholders under the Scheme will be determined, expected to be 6.00 p.m. on the Business Day immediately prior to the Effective Date;
“Scheme Shareholders”	a holder of Scheme Shares from time to time;
“Scheme Shares”	all Hipgnosis Shares which are: <ul style="list-style-type: none"> (i) in issue at the date of the Scheme Document and which remain in issue at the Scheme Record Time; (ii) (if any) issued after the date of the Scheme Document, but at or before the Scheme Voting Record Time and which remain in issue at the Scheme Record Time; and (ii) (if any) issued after the Scheme Voting Record Time but at or before the Scheme Record Time, either on terms that the original or any subsequent holder thereof shall be bound by the Scheme, or in respect of which the original or any

subsequent holder is, or shall have agreed in writing to be, bound by the Scheme and which remain in issue at the Scheme Record Time,

in each case other than any Excluded Shares;

“Scheme Voting Record Time”	the date and time specified in the Scheme Document by reference to which entitlement to vote at the Court Meeting will be determined;
“Shot Tower”	Shot Tower Capital, LLC;
“Significant Interest”	in relation to an undertaking or partnership, a direct or indirect interest of 20 per cent. or more of the total voting rights conferred by the equity share capital (as defined in section 548 of the Companies Act) of such undertaking or the relevant partnership interest;
“Singer Capital Markets”	Singer Capital Markets Advisory LLP, Rule 3 adviser to Hipgnosis;
“Takeover Code”	the City Code on Takeovers and Mergers;
“Takeover Offer”	if the Acquisition is implemented by way of a takeover offer (which shall be an offer for the purposes of section 337 of the Companies Law), the offer to be made by or on behalf of Bidco to acquire the entire issued and to be issued ordinary share capital of Hipgnosis including, where the context admits, any subsequent revision, variation, extension or renewal of such offer;
“Third Party”	each of any relevant central bank, government or governmental, quasi-governmental, supranational, statutory, regulatory, environmental or investigative body, court, trade agency, association, institution, any entity owned or controlled by any relevant government or state, or any other body or person whatsoever in any jurisdiction;
“UK” or “United Kingdom”	the United Kingdom of Great Britain and Northern Ireland;
“UK AIFMD”	the Alternative Investment Fund Managers Regulations 2013 (SI 2013/1773) and any other implementing measure which operated to transpose EU AIFM Directive into UK law before 31 January 2020 (as amended from time to time including by the Alternative Investment Fund Managers (Amendment) (EU Exit) Regulations 2019 (SI 2019/328));
“United States of America” or “US”	United States of America, its territories and possessions, all areas subject to its jurisdiction or any subdivision thereof any state of the United States and the District of Columbia;
“US Exchange Act”	the United States Securities Exchange Act of 1933, as amended, and the rules and regulations promulgated thereunder;
“Wider Bidco Group”	Concord, the Apollo Funds, each of their subsidiary undertakings, associated undertakings and any other undertaking in which Concord, Apollo and/or such undertakings (aggregating their interests) have a Significant Interest; and
“Wider Hipgnosis Group”	Hipgnosis, its subsidiary undertakings, associated undertakings and any other undertaking in which Hipgnosis and/or such undertakings (aggregating their interests) have a Significant Interest.

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**", "**£**", "**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.

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.