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This announcement contains inside information for the purposes of Article 7 of the UK version of Regulation (EU) No 596/2014 which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended ("MAR").

16 June 2021

Hipgnosis Songs Fund Limited ("Hipgnosis" or the "Company")

Proposed Placing

The Board of Hipgnosis, the first UK investment company offering investors a pure-play exposure to songs and associated musical intellectual property rights, and its Investment Adviser, The Family (Music) Limited, are pleased to announce that the Company intends to raise approximately £150 million by way of a placing of new Ordinary Shares (the "**Placing**") at a price of 121 pence per Ordinary Share (the "**Issue Price**").

The Company expects to use the net proceeds of the Placing to acquire a substantial pipeline of Songs that The Family (Music) Limited (the "**Investment Adviser**") has identified in line with the Company's investment policy (the "**Pipeline Songs**"). The Pipeline Songs contain some of the most influential and successful Songs of all time, and offer substantial revenue growth opportunities through Song Management.

Merck Mercuriadis, Founder of The Family (Music) Limited and Hipgnosis Songs Fund Limited, said:

"I founded Hipgnosis to give the investment community access to extraordinarily successful hit Songs by culturally important artists and to establish Songs as a new and uncorrelated asset class with attractive risk-adjusted returns. Three years after our IPO the support of our shareholders has allowed us to build a portfolio of songs with a value over \$2.2 billion and Hipgnosis has delivered a Total NAV Return of 40.7% against the most challenging social and economic backdrop of our lives. This success has firmly established Songs globally as one of the most attractive new asset classes.

This raise gives our public markets investors, historic and new, the only chance for the next 12 months to get access to Hipgnosis' existing portfolio as well as a pipeline comprising some of the most important and successful songs of all time, at valuations that are highly attractive considering the continued explosive growth of streaming that will magnify future revenues considerably."

Placing Highlights

- Placing for a target issue of 123,966,942 new Ordinary Shares (the “**Placing Shares**”) under the Company's Placing Programme pursuant to the prospectus published by the Company on 21 January 2021 (the “**Prospectus**”) to raise £150 million
- The Issue Price of 121 pence per Ordinary Share represents a:
 - 2.4% discount to the closing Ordinary Share price of 124 pence on 15 June 2021
 - 2.0% premium to the Adjusted Operative NAV, based on the GBP to USD exchange rate of 1.4115 on 11 June 2021 (being the latest practicable date), of 118.57 pence per Ordinary Share (being the last reported Operative NAV of \$1.6829 per Share on 31 March 2021 as adjusted for:
 - (i) \$0.0188 in respect of the interim dividend of 1.3125 pence per Ordinary Share for the three month period from 1 January 2021 to 31 March 2021, which was declared "ex" and paid in May 2021 in respect of the Ordinary Shares in issue at that time,
 - (ii) unaudited accrued earnings of \$0.0133 per Ordinary Share for the 2 ½ month period from 1 April 2021 to 11 June 2021, and
 - (iii) decrease in the Fair Value of the catalogues owned at 31 March 2021 of \$0.0038 per Ordinary Share to reflect the strengthening of the GBP to USD exchange rate from 1.3738 on 31 March 2021 to 1.4115 on 11 June 2021)
- N+1 Singer Capital Markets Limited (“**N+1 Singer**”), J.P. Morgan Securities plc (which conducts its UK investment banking activities as J.P. Morgan Cazenove) (“**JPMC**”) and RBC Europe Limited (trading as RBC Capital Markets) (“**RBC**”) are acting as joint bookrunners in connection with the Placing (the “**Joint Bookrunners**”)
 - Separate to the Placing, the Company is currently considering a refinancing of its existing Revolving Credit Facility

Proposed Placing under the Placing Programme

Hipgnosis will target an issue of 123,966,942 Placing Shares pursuant to the Placing. The final number of Placing Shares will be agreed between the Company and Joint Bookrunners following close of the Placing, and announced shortly thereafter. The Board reserves the right, in consultation with the Investment Adviser and Joint Bookrunners, to increase the size of the Placing if overall demand exceeds 123,966,942 Placing Shares by reallocating new Ordinary Shares that would otherwise be available under the Placing Programme.

The Placing shall commence immediately following this announcement and will be closed at 11 a.m. on 6 July 2021 but may be closed earlier or later at the discretion of the Company and the Joint Bookrunners.

The Joint Bookrunners may choose to accept applications, either in whole or in part, on the basis of allocations determined in agreement with the Company, and may scale back any applications for this purpose on such basis as the Company and the Joint Bookrunners may determine. The Joint Bookrunners may also, notwithstanding the above and subject to the prior consent of the Company: (i) allocate Placing Shares after the time of any initial allocation to any person submitting an application after that time, and (ii) allocate Placing Shares after the Placing has closed to any person submitting an application after that time. The Company's Board, in consultation with the Joint Bookrunners, may also decide not to proceed with the Placing for any reason. In this case, an announcement will be made by the Company. Application will be made to the London Stock Exchange for any Placing Shares issued pursuant to the Placing to be admitted to the Premium listing segment of the Official List of the FCA and to the London Stock Exchange's Premium segment of the Main Market (“**Admission**”).

The Placing will be made on a non-pre-emptive basis. The Placing is conditional upon, inter alia, Admission becoming effective on or before 9 July 2021 or at a later date at the discretion of the Company and the Joint Bookrunners.

The Placing is being made pursuant to the terms and conditions set out in Part XII (Terms and Conditions of Placings) of the Prospectus. Investors are invited to apply for Placing Shares pursuant to the Placing by contacting their usual contact at N+1 Singer, JPMC or RBC.

A copy of the Prospectus published by the Company on 21 January 2021 is available on the Company's website www.hipgnosissongs.com, subject to certain access restrictions. It is also available for inspection at the Company's Administrator's office, Ocorian Administration (Guernsey) Limited, P.O. Box 286, Floor 2, Trafalgar Court, Les Banques, St. Peter Port, Guernsey, GY1 4LY. It can also be found at the National Storage Mechanism via <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

Expected Timetable of Principal Events

Date of this Announcement	16 June 2021
Latest time and date for receipt of placing commitments under the Placing	11 a.m. on 6 July 2021
Publication of results of the Placing	by 7 July 2021
Admission and commencement of dealings in the Placing Shares	8:00 a.m. on 9 July 2021

Dealing codes

ISIN for the Ordinary Shares to be issued pursuant to the Placing	GG00BFYT9H72
SEDOL for the Ordinary Shares traded in Sterling	BFYT9H7
SEDOL for the Ordinary Shares traded in US Dollars	BLH8YF6
Ticker code for the Ordinary Shares traded in Sterling	SONG
Ticker code for the Ordinary Shares traded in US Dollars	SOND

Subsequent to the Placing, the Company does not currently intend to offer further shares for cash consideration until after publication of the net asset value per Share as at 31 March 2022.

For further information, please contact:

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NOTES TO EDITORS

About Hipgnosis Songs Fund Limited

(www.hipgnosissongs.com)

Hipgnosis, which was founded by Merck Mercuriadis, is a Guernsey registered investment company established to offer investors a pure-play exposure to songs and associated musical intellectual property rights. The Company has raised a total of over £1.1 billion (gross equity capital) through its Initial Public Offering on 11 July 2018, and subsequent issues in April 2019, August 2019, October 2019, July 2020, September 2020 and February 2021. In September 2019, Hipgnosis transferred its entire issued share capital to the Premium listing segment of the Official List of the FCA and to the London Stock Exchange's Premium segment of the Main Market, and in March 2020 became a constituent of the FTSE 250 Index. Since April 2021, the Company has been resident in the UK for tax purposes and is recognised as an investment trust under applicable HMRC regulations.

About The Family (Music) Limited

The Company's Investment Adviser is The Family (Music) Limited, which was founded by Merck Mercuriadis, former manager of globally successful recording artists, such as Elton John, Guns N' Roses, Morrissey, Iron Maiden and Beyoncé, and hit songwriters such as Diane Warren, Justin Tranter and The-Dream, and former CEO of The Sanctuary Group plc. The Investment Adviser has assembled an Advisory Board of highly successful music industry experts which include award winning members of the artist, songwriter, publishing, legal, financial, recorded music and music management communities, all with in-depth knowledge of music publishing. Members of The Family (Music) Limited Advisory Board include Nile Rodgers, The-Dream, Giorgio Tuinfort, Starrah, Nick Jarjour, David A. Stewart, Bill Leibowitz, Ian Montone and Rodney Jerkins.

IMPORTANT NOTE

All offers of shares under the Placing will be made pursuant to the Prospectus (as may be supplemented by a supplementary prospectus from time to time). This announcement does not constitute or form part of, and should not be construed as, any offer or invitation or inducement for

sale, transfer or subscription of, or any solicitation of any offer or invitation to buy or subscribe for or to underwrite, any share in the Company or to engage in investment activity (as defined by the Financial Services and Markets Act 2000) in any jurisdiction nor shall it, or any part of it, or the fact of its distribution form the basis of, or be relied on in connection with, any contract or investment decision whatsoever, in any jurisdiction. This announcement does not constitute a recommendation regarding any securities.

The information in this announcement is for information purposes only and does not purport to be full or complete. No reliance may be placed for any purpose on the information contained in this announcement or its accuracy or completeness. The material set forth herein is not intended, and should not be construed, as an offer to sell or issue, or the solicitation of any offer to purchase, subscribe for or otherwise acquire, any securities in the United States or any other jurisdiction. Any purchase of shares should be made solely on the basis of the information contained in the Prospectus (as may be supplemented by a supplementary prospectus from time to time).

This announcement is not for publication or distribution, directly or indirectly, to "U.S. persons" ("**US Persons**") as defined in Regulation S under the US Securities Act of 1933, as amended (the "**Securities Act**") or in or into the United States (including its territories and possessions, any state of the United States and the District of Columbia), Australia, Canada, South Africa or Japan. The distribution of this announcement may be restricted by law in certain jurisdictions and persons into whose possession any document or other information referred to herein comes should inform themselves about and observe any such restriction. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

The Company has not been and will not be registered under the US Investment Company Act of 1940, as amended (the "**Investment Company Act**"). In addition, the Company's shares referred to herein have not been and will not be registered under the Securities Act, or under the securities laws of any state or other jurisdiction of the United States and may not be offered, sold, resold, pledged, transferred or delivered, directly or indirectly, into or within the United States or to, or for the account or benefit of, any US Persons, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with any applicable securities laws of any state or other jurisdiction of the United States and in a manner which would not require the Company to register under the Investment Company Act. The offer and sale of Company's shares referred to herein has not been and will not be registered under the applicable securities laws of any state, province or territory of Australia, Canada, South Africa or Japan. Subject to certain exceptions, the Company's shares referred to herein may not be offered or sold in Australia, Canada, South Africa or Japan or to, or for the account or benefit of, any national, resident or citizen of Australia, Canada, South Africa or Japan. There has been and will be no public offer of the Company's shares in the United States, Australia, Canada, South Africa or Japan.

N+1 Singer is authorised and regulated in the United Kingdom by the Financial Conduct Authority ("**FCA**"), and is acting exclusively for the Company and no-one else in connection with the Placing. N+1 Singer will not regard any other person as its clients in relation to Placing and will not be responsible to anyone other than the Company for providing the regulatory protections afforded to its clients, nor for providing advice in relation to the Placing, the contents of this announcement or any transaction, arrangement or other matter referred to herein.

JPMC, which is authorised by the Prudential Regulation Authority ("**PRA**") and regulated by the FCA and the PRA in the United Kingdom, is acting only for the Company in connection with the Placing and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protections afforded to clients of JPMC or advice to any other person in relation to the matters contained herein. Neither JPMC nor any of its directors, officers, employees, advisers or agents accepts any responsibility or

liability whatsoever for this announcement, its contents or otherwise in connection with it or any other information relating to the Company, whether written, oral or in a visual or electronic format.

RBC, which is authorised by the PRA and regulated by the FCA and the PRA in the United Kingdom, is acting only for the Company in connection with the Placing and is not acting for or advising any other person, or treating any other person as its client, in relation thereto and will not be responsible for providing the regulatory protections afforded to clients of RBC or advice to any other person in relation to the matters contained herein. Neither RBC nor any of its directors, officers, employees, advisers or agents accepts any responsibility or liability whatsoever for this announcement, its contents or otherwise in connection with it or any other information relating to the Company, whether written, oral or in a visual or electronic format.

None of the Company, the Investment Adviser, N+1 Singer, RBC or JPMC or any of their respective affiliates accepts any responsibility or liability whatsoever for/or makes any representation or warranty, express or implied, as to this announcement, including the truth, accuracy or completeness of the information in this announcement (or whether any information has been omitted from this announcement) or any other information relating to the Company whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. The Company, the Investment Adviser, N+1 Singer, RBC and JPMC and their respective affiliates accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of this announcement or its contents or otherwise arising in connection therewith.

This announcement may include statements that are, or may be deemed to be, "forward-looking statements". These forward-looking statements involve known and unknown risks and uncertainties, many of which are beyond the Company's control and all of which are based on the Company's board of directors' current beliefs and expectations about future events. These forward-looking statements may be identified by the use of forward-looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "expects", "intends", "may", "will" or "should" or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts. Forward-looking statements may and often do differ materially from actual results. Any forward-looking statements reflect the Company's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company's business, the results of operations, financial condition, prospects, growth and dividend policy of the Company and the industry in which it operates. Forward-looking statements speak only as of the date they are made and cannot be relied upon as a guide to future performance. These forward-looking statements and other statements contained in this announcement regarding matters that are not historical facts involve predictions. No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing the Company. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward-looking statements. Forward looking statements contained herein speak only as of the date of this announcement.

Potential investors should be aware that any investment in the Company is speculative, involves a high degree of risk, and could result in the loss of all or substantially all of their investment. Results can be positively or negatively affected by market conditions beyond the control of the Company or any other person. Past performance cannot be relied upon as a guide to, or guarantee of, future performance. Prospective investors are advised to seek expert legal, financial, tax and other professional advice before making any investment decision. The value of investments may fluctuate.

Information to distributors

Solely for the purposes of the product governance requirements contained within: the FCA's PROD3 Rules on product governance within the FCA Handbook (the "**FCA PROD3 Rules**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the FCA PROD3 Rules) may otherwise have with respect thereto, the Ordinary Shares the subject of the Placing have been subject to a product approval process, which has determined that such Ordinary Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in FCA Glossary; and (ii) eligible for distribution through all distribution channels as are permitted by the FCA PROD3 Rules (the "**Target Market Assessment**").

Notwithstanding the Target Market Assessment, Distributors should note that: the price of the Ordinary Shares may decline and investors could lose all or part of their investment; the Ordinary Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Placing. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of the FCA PROD3 Rules; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Ordinary Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Ordinary Shares and determining appropriate distribution channels.

PRIIPs Regulation

In accordance with the UK version of the EU PRIIPs Regulation (1286/2014) which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (the "**UK PRIIPs Laws**"), a key information document in respect of an investment in the Ordinary Shares has been prepared by the Company and is available to investors at www.hipgnosissongs.com.

If you are distributing any class of shares in the Company, it is your responsibility to ensure that the relevant key information document is provided to any clients that are "retail clients".