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This announcement is an advertisement and not a prospectus. Investors should not purchase or subscribe for any transferable securities referred to in this announcement except on the basis of information in the prospectus (the "Prospectus") published by Hipgnosis Songs Fund Limited (the "Company") in connection with the initial public offering and the admission of its ordinary shares (the "Shares") to trading on the Specialist Fund Segment of the Main Market of London Stock Exchange plc (the "London Stock Exchange"). Copies of the Prospectus are available at the Company's registered office and is available for viewing at the National Storage Mechanism at <http://www.morningstar.co.uk/uk/nsm>. This announcement does not constitute or form a part of any offer to sell, or a solicitation of any offer to purchase or otherwise acquire, securities by any US Persons or in the United States or any other jurisdiction. Neither this announcement nor any part of it shall form the basis of or be relied on in connection with or act as an inducement to enter into any contract or commitment whatsoever.

6 July 2018

HIPGNOSIS SONGS FUND LIMITED

(the "Company" or "Hipgnosis")

RESULTS OF THE ISSUE

On 29 June 2018, Hipgnosis Songs Fund Limited, the first investment company to be admitted to trading on the main market of the London Stock Exchange offering pure-play exposure to Songs and associated musical intellectual property rights, announced that it had successfully raised gross proceeds of £200 million pursuant to the Initial Placing of its ordinary shares (the "Ordinary Shares") as described in the prospectus published by the Company on 27 June 2018 (the "Prospectus"). The Initial Placing was oversubscribed with demand exceeding the target fundraising amount of £200 million and accordingly applications were scaled back so that commitments under the Initial Placing equal the £200 million target amount.

Following the closing of the Offer on 5 July 2018, the Company is pleased to announce that it has secured additional gross proceeds of approximately £2.2 million, therefore the aggregate gross proceeds raised by the Company under the Issue (being the Initial Placing and Offer) amount to £202.2 million.

KEY HIGHLIGHTS

- **Hipgnosis will be acquiring a diversified portfolio of Songs¹**
 - The Company has identified a pipeline of Catalogues of Songs which contain proven, evergreen Songs from award winning songwriters
 - The Catalogues include Songs performed by more than 50 global recording artists
 - The Songs include hits from each of the past five decades including more than 10 number 1 hit songs in the UK and US and provide exposure to at least 8 songwriters
 - The Board and the Investment Adviser believe suitable opportunities exist which would allow the Net Issue Proceeds to be deployed within 12 months following Admission
 - The Investment Adviser is undertaking due diligence on, or is advanced discussions to potentially acquire, a number of Catalogues and expects some of these Catalogues to be acquired shortly after Initial Admission

- **Technology disruption driving royalty income growth**
 - There is currently a unique market opportunity as technology disruption is changing the way music is consumed
 - The pace at which revenues from music streaming replace and increase those earned from physical and permanent download sales is forecast to grow significantly as music consumers switch from illegal downloading to convenient and legal streaming, which is resulting in improved monetisation of music
 - Global music revenues are also predicted to increase due to penetration of smartphones and a reduction in piracy rates in emerging markets, global synchronisation income being more trackable, and integration of music technology in other products

- **Advised by The Family (Music) Limited, a highly influential and award winning team**
 - The Company will be advised by 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 and Iron Maiden, 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, Bill Leibowitz, Ian Montone, and Jason Flom
 - Through its relationship with the Investment Adviser, the Company will have access to an extensive network of contacts and expertise in identifying, acquiring, managing and exploiting Songs

- **Attractive returns and income, with no correlation to equity markets²**
 - Songs constantly trigger royalty income from various modes of exploitation payments and produce an attractive level of income which can persist for decades and is protected by copyright law
 - The Directors believe these returns are driven by consumer spending and listening habits which are uncorrelated to capital markets
 - The Company is targeting 10 per cent or more per annum total NAV returns over the medium term (net of fees)
 - The Company is targeting a 5 per cent. annual dividend yield (based on the Issue Price) once fully invested. The Directors expect to pay a first dividend in November 2018

Application has been made in respect of 202,176,800 Ordinary Shares to be admitted to trading on the Specialist Fund Segment of the Main Market of the London Stock Exchange plc ("Admission"). It is expected that Admission will become effective and dealings in the Ordinary Shares will commence at 8.00 a.m. (London time) on 11 July 2018. The Ordinary Shares will trade under the ticker "SONG" (ISIN: GG00BFYT9H72).

Nplus1 Singer Advisory LLP ("N+1 Singer") is acting as Financial Adviser and Bookrunner to the Company.

Merck Mercuriadis, Founder and CEO of The Family (Music) Limited, said:

"I believe the song, even more so than the artist, is the most important component in a hit recording. The music industry has been built on the predictable, reliable and enduring income they provide and now thanks to the systemic change in the way music is consumed via streaming the pie is growing rapidly. I'm delighted that the financial community is supporting our thesis that the proven hit songs we are targeting for acquisition are very investable assets and I look forward to updating the market on the progress of acquisitions soon."

I've spent the better part of the last 35 years advocating for great artists, songwriters and producers and my ambition is to grow our fund not only to provide great returns for our investors but equally well in due course to create the leverage that only critical mass can provide to change the songwriters position in the economic model."

Andrew Sutch, Chairman of Hipgnosis Songs Fund Limited, said:

"I'm delighted that the Hipgnosis Songs Fund launch has been so well-supported by investors, Hipgnosis will now be the first fund listed on the London Stock Exchange that offers investors pure-play exposure to Songs and associated music IP rights.

On behalf of the Board, we are excited to work with Merck and the rest of The Family (Music) Limited as they look to utilise their extensive industry experience and relationships to identify, acquire and manage Songs."

Capitalised terms used but not defined in this announcement shall have the meanings given to such terms in the Prospectus.

For further information, please contact:

N+1 Singer

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Notes:

1. Acquisition of these Catalogues is subject to completion of due diligence and Board approvals. There can be no guarantee that the Company will be able to acquire these Catalogues, either on Admission or thereafter.
2. The Company's target dividend yield for the first 12 months following Admission is 3.5 per cent. (based on the Issue Price). The Initial Target Dividend, target dividend and target return are targets only and are not profit forecasts. There can be no assurance that these targets will be met and they should not be taken as an indication of the Company's expected or actual future results. Potential investors should decide for themselves whether or not these targets are reasonable or achievable in deciding whether to invest in the Company.

Disclaimer

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The merits or suitability of any securities must be independently determined by each investor on the basis of its own investigation and evaluation of the proposed Company. Any such determination should involve, among other things, an assessment of the legal, tax, accounting, regulatory, financial, credit and other related aspects of the securities.

This announcement may not be used in making any investment decision. This announcement does not contain sufficient information to support an investment decision and investors should ensure that they obtain all available relevant information before making any investment. This announcement does not constitute and may not be construed as an offer to sell, or an invitation to purchase or otherwise acquire, investments of any description, nor as a recommendation regarding the possible offering or the provision of investment advice by any party. No information in this announcement should be construed as providing financial, investment or other professional advice and each prospective

investor should consult its own legal, business, tax and other advisers in evaluating the investment opportunity. No reliance may be placed for any purposes whatsoever on this announcement (including, without limitation, any illustrative modelling information contained herein), or its completeness.

Nothing in this announcement constitutes investment advice and any recommendations that may be contained herein have not been based upon a consideration of the investment objectives, financial situation or particular needs of any specific recipient.

The information and opinions contained in this announcement are provided as at the date of this announcement and are subject to change and no representation or warranty, express or implied, is or will be made in relation to the accuracy or completeness of the information contained herein and no responsibility, obligation or liability or duty (whether direct or indirect, in contract, tort or otherwise) is or will be accepted by the Company, The Family (Music) Limited, Nplus1 Singer Advisory LLP ("N+1 Singer") or any of their affiliates or by any of their respective officers, employees or agents in relation to it.

The Company has no investment or trading history. 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. The returns set out in this announcement are targets only. There is no guarantee that any returns set out in this announcement can be achieved or can be continued if achieved, nor that the Company will make any distributions whatsoever. There may be other additional risks, uncertainties and factors that could cause the returns generated by the Company to be materially lower than the returns set out in this announcement.

The information contained in this announcement is given at the date of its publication (unless otherwise marked). No reliance may be placed for any purpose whatsoever on the information or opinions contained in this announcement or on its completeness, accuracy or fairness. This announcement has not been approved by any competent regulatory or supervisory authority.

The information in this announcement may include forward-looking statements, which are based on the current expectations and projections about future events and in certain cases can be identified by the use of terms such as "may", "will", "should", "expect", "anticipate", "project", "estimate", "intend", "continue", "target", "believe" (or the negatives thereon) or other variations thereon or comparable terminology. These forward-looking statements, as well as those included in any related materials, are subject to risks, uncertainties and assumptions about the Company, including, among other things, the development of its business, trends in its operating industry, and future capital expenditures and acquisitions. In light of these risks, uncertainties and assumptions, the events in the forward-looking statements may not occur. Each of the Company, The Family (Music) Limited, N+1 Singer and their affiliates and their respective officers, employees and agents expressly disclaim any and all liability which may be based on this announcement and any errors therein or omissions therefrom. No representation or warranty is given to the achievement or reasonableness of future projections, management targets, estimates, prospects or returns, if any. Any views contained herein are based on financial, economic, market and other conditions prevailing as at the date of this announcement. The information contained in this announcement will not be updated. In particular, the target initial dividend yield and target net total return on NAV figures contained in this announcement should not be taken as an indication of the Company's expected future performance or results. These are targets only and there is no guarantee that they can or will be achieved. Accordingly, investors should not place any reliance on such targets.

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.

Neither this announcement nor any part or copy of it may be taken or transmitted into the United States, Australia, Canada, South Africa or Japan, or distributed directly or indirectly to US Persons (as defined below) or in the United States, Australia, Canada, South Africa or Japan. Any failure to comply with this restriction may constitute a violation of applicable law. This announcement does not constitute an offer of securities to the public in the United States, Australia, Canada, South Africa or Japan or in any other jurisdiction. Persons into whose possession this announcement comes should observe all relevant restrictions.

The Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended (the "**Investment Company Act**"), and as such investors will not be entitled to the benefits of the Investment Company Act. The Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**"), or with any securities regulatory authority 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 "U.S. persons" as defined in Regulation S under the Securities Act ("**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. There will be no public offer of the Shares in the United States.

Neither the United States Securities and Exchange Commission nor any state securities commission has approved or disapproved of the Shares or passed upon or endorsed the merits of the offering of the Shares or the adequacy or accuracy of this announcement.

Prospective investors should take note that any securities may not be acquired by: (i) investors using assets of: (A) an "employee benefit plan" as defined in Section 3(3) of US Employee Retirement Income Security Act of 1974, as amended ("**ERISA**") that is subject to Title I of ERISA; (B) a "plan" as defined in Section 4975 of the U.S. Tax Code, including an individual retirement account or other arrangement that is subject to Section 4975 of the U.S. Tax Code; or (C) an entity whose underlying assets are considered to include "plan assets" by reason of investment by an "employee benefit plan" or "plan" described in preceding clause (A) or (B) in such entity pursuant to the U.S. Plan Assets Regulations; or (ii) a governmental, church, non-U.S. or other employee benefit plan that is subject to any federal, state, local or non-U.S. law that is substantially similar to the provisions of Title I of ERISA or Section 4975 of the U.S. Tax Code, unless its purchase, holding, and disposition of the Shares will not constitute or result in a non-exempt violation of any such substantially similar law.

N+1 Singer is authorised and regulated by the Financial Conduct Authority in the United Kingdom. N+1 Singer is acting for the Company and no one else in connection with the Issue and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of N+1 Singer or for affording advice in relation to any transaction or arrangement referred to in this announcement. This announcement does not constitute any form of financial opinion or recommendation on the part of N+1 Singer or any of its respective affiliates and is not intended to be an offer, or the solicitation of any offer, to buy or sell any securities. N+1 Singer is not responsible for the contents of this announcement or the Prospectus. This does not exclude any responsibilities which N+1 Singer may have under the Financial Services and Market Act 2000 or the regulatory regime established thereafter.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("Directive 2014/65/EU"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing Directive 2014/65/EU; and (c) local implementing measures (together, the "MiFID II Product Governance Requirements"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Ordinary Shares and C Shares have been subject to a product approval process, which has determined that the Ordinary Shares and C Shares to be issued

pursuant to the Issue and the Placing Programmes 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 Directive 2014/65/EU; and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU (the "Target Market Assessment").

Notwithstanding the Target Market Assessment, distributors should note that: the price of the Ordinary Shares and C Shares may decline and investors could lose all or part of their investment; the Ordinary Shares and the C Shares offer no guaranteed income and no capital protection; and an investment in the Ordinary Shares and/or C 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 Programme. Furthermore, it is noted that, notwithstanding the Target Market Assessment, N+1 Singer 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 Directive 2014/65/EU; 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 and/or the C Shares.

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

PRIIPS Regulation

In accordance with the Regulation (EU) No 1286/2014 of the European Parliament and of the Council of 26 November 2014 on key information documents for packaged retail and insurance-based investment products (PRIIPs) and its implementing and delegated acts (the "**PRIIPs Regulation**"), a key information document in respect of the Ordinary Shares has been prepared by Hipgnosis Songs Fund Limited and is available to investors at www.hipgnosissongs.com. If a class of C Shares are issued under the Placing Programmes, Hipgnosis Songs Fund Limited will make available a key information document in relation to such class of C Shares as required under the PRIIPs Regulation.

If you are distributing the Shares, it is your responsibility to ensure that the relevant key information document is provided to any clients that are "retail clients".