

THIS ANNOUNCEMENT, INCLUDING THE APPENDICES AND THE INFORMATION IN THEM, IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES, AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL.

FURTHER, THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS NOT AN OFFER OF SECURITIES IN ANY JURISDICTION.

THIS ANNOUNCEMENT AMOUNTS TO A FINANCIAL PROMOTION FOR THE PURPOSES OF SECTION 21 OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (“FSMA”) AND HAS BEEN APPROVED BY PRIMARYBID LIMITED WHICH IS AUTHORISED AND REGULATED BY THE FINANCIAL CONDUCT AUTHORITY (FRN 779021)

THIS ANNOUNCEMENT CONTAINS INSIDE INFORMATION.

2 July 2020

HIPGNOSIS SONGS FUND LIMITED

PrimaryBid.com Offer

Hipgnosis Songs Fund Limited (the "**Company**"), the first and only UK investment company offering investors a pure-play exposure to songs and associated musical intellectual property rights, is pleased to announce, a retail offer via PrimaryBid (the "**PrimaryBid Offer**") of new C Shares at a price of 100 pence per C Share (the "**Issue Price**").

As separately announced on 2 July 2020, the Company is also conducting a non pre-emptive placing of C Shares (the "**Placing**", together with the PrimaryBid Offer the "**Issue**") under the Company's existing placing programme pursuant to the prospectus published by the Company on 27 September 2019 (the "**Prospectus**").

The net proceeds of the Issue will be used to fund further acquisitions in line with the Company's Investment Policy to create further value for shareholders. This is also expected to continue to increase the diversity of the Portfolio and income streams. The Company currently expects to deploy the net proceeds of the Issue within three months.

Merck Mercuriadis said, "I founded Hipgnosis to give the investment community access to the predictable and reliable income that comes from successful hit songs and to establish Songs as an uncorrelated asset class. To date we have been backed with over \$1 billion in investments by more than 50 of the most reputable institutional investors in the world. This is the first time we have put focus to the retail sector having become not only a FTSE 250 company but also the 58th biggest yielder in the index. We are delighted to be working with Primary Bid on this."

PrimaryBid Offer

The Company highly values its retail investor base and believes that it is appropriate to provide retail and other interested investors the opportunity to participate in the PrimaryBid Offer. The Company is therefore making the PrimaryBid Offer available exclusively through the PrimaryBid.com platform and the PrimaryBid mobile app available on the Apple App Store and Google Play. PrimaryBid does not charge investors any commission for this service.

The PrimaryBid Offer, via the PrimaryBid.com platform, will be open to retail investors from 7:00 a.m. on 2 July 2020 to 1:00 p.m. on 10 July 2020. The PrimaryBid Offer may close early if it is oversubscribed.

There is a minimum subscription of £100 per investor under the terms of the Offer, which is open to existing shareholders and other investors subscribing via PrimaryBid.com. The Company currently expects that preference will be given to the Company's existing investors who provide self-certification of this. The Company, in consultation with PrimaryBid, reserves the right to scale back any order at its discretion.

The Company in consultation with PrimaryBid reserves the right to scale back any order at its discretion. The Company and PrimaryBid reserve the right to reject any application for subscription under the Offer without giving any reason for such rejection. Aggregate demand under the PrimaryBid Offer will be limited to the lesser of (i) EUR 8m; and (ii) 20 per cent. of the size of the Placing, as is legally required.

No offering document, prospectus or admission document has been or will be prepared or submitted to be approved by the FCA (or any other authority) in relation to the PrimaryBid Offer, and investors commitments will be made solely on the basis of publicly available information taken together with the information contained in this Announcement, and any other information previously published by or on behalf of the Company simultaneously with or prior to the date of this Announcement.

No commission is charged to investors on applications to participate in the PrimaryBid Offer made through PrimaryBid. It is vital to note that once an application for C Shares has been made and accepted via PrimaryBid, an application cannot be withdrawn.

C Share Issue Arrangements

Conversion of the C Shares

The Articles contain provisions that permit the Directors, subject to Companies Law, to issue one or more classes of C Shares (also known as convertible shares) from time to time. C Shares convert into Ordinary Shares only when a specified proportion of the net proceeds of issuing such C Shares have been invested in accordance with the Company's Investment Policy or, if earlier, within a specified timeframe. The conversion mechanism in respect of the C Shares issued pursuant to the Issues is detailed in the Prospectus and below.

Pursuant to the Articles and absent any Force Majeure Circumstances, the C Shares to be issued pursuant to the Issue would be required to be converted into New Ordinary Shares within one month from the Calculation Time, being the earlier of: (i) the close of business on the date on which the Board becomes aware or is notified by the Investment Adviser that at least 80 per cent. of the Net Issue Proceeds has been invested in accordance with the Company's Investment Objective and Policy; or (ii) the close of business on 15 July 2021 (being the date that is 12 months following Admission). However, given the difficulties in finalising independent valuations within the time period prescribed in the Articles and the administrative and financial burden of revaluing the Portfolio, it is proposed that the Calculation Time be linked to the valuations published by the Company on the semi-annual NAV Calculation Dates (being 31 March and 30 September of each year, or such other dates as the Directors may determine).

Accordingly, at the Company's Annual General Meeting to be held in September 2020, the Directors will seek the approval of both Ordinary Shareholders and C Shareholders to approve an amendment to the Articles to amend the Calculation Time and Conversion Time of the C Shares. Under the proposals the Calculation Time shall be defined as occurring on the next semi-annual NAV Calculation Date (or such other valuation point as may be determined by the Directors in their absolute discretion) immediately following the earliest of: (i) the close of business on the date on which the Board becomes aware or is notified by the Investment Adviser that at least 80 per cent. of the Net Issue Proceeds has been invested in accordance with the Company's Investment Objective and Policy; (ii) the close of

business on the last Business Day prior to the day on which Force Majeure Circumstances have arisen or the Directors resolve that such circumstances are in contemplation; (iii) the close of business on such date as the Directors may determine to enable the Company to comply with its obligations in respect of Conversion of that class of C Share; or (iv) the close of business on 15 July 2021 (being the date that is 12 months following Admission). In order to accommodate this revised timeframe, it is proposed that the longstop date contained in the definition of Conversion Time be extended from one month following the Calculation Time to five months following the Calculation Time. On the basis of these revised definitions, the latest Calculation Time in respect of the class of C Shares to be issued pursuant to the Issue will be 30 September 2021 and the latest Conversion Time would be 28 February 2022. If the proposed changes to the articles are not approved at the AGM to be held in September 2020 then the Calculation Time and Conversion Time will be determined by reference to the current Articles, which are referred to in the paragraph above and described in detail in the Prospectus.

On the relevant Calculation Time, the net assets attributable to the Ordinary Shares then in issue, the net assets attributable to the C Shares issued pursuant to the Issue and the resultant Conversion Ratio will be calculated.

Holders of a class of C Shares will receive such number of New Ordinary Shares as results from applying the Conversion Ratio to their holdings in the C Shares on the Conversion Time, with fractions of New Ordinary Shares being dealt with by the Directors in such manner as they see fit.

Following the Calculation Time, the Directors shall procure that the Conversion Ratio and the number of New Ordinary Shares due to each holder of the C Shares is calculated and that the Company's independent valuer prepares the fair valuations of the assets attributable to the Company's Ordinary Shares and the relevant class of C Shares in accordance with the Company's latest published valuation methodology.

Dividends due in respect of C Shares to be issued pursuant to the Issue

Pursuant to the Articles, the Directors have determined that the holders of the C Shares to be issued pursuant to the Issue will be entitled to participate in any dividends of the Company in relation to assets attributable to that class of C Shares. Such amount will depend on the revenues received from investments attributable to that class of C Shares, which is not known at this time. C Shareholders will be informed of any dividends declared by the Company in respect of the C Shares to be issued pursuant to the Issue by way of an RIS announcement.

The Company reserves the right to declare and pay a dividend or other distribution in respect of the C Shares between the Calculation Time and the Conversion Time (both dates inclusive). The Directors reserve the right to make adjustments to the Conversion Ratio to reflect any dividends or other distributions declared, in respect of the Ordinary Shares and/or the C Shares, between the Calculation Time and the Conversion Time (both dates inclusive). If a dividend is declared in respect of the Ordinary Shares with a record date falling between the relevant Calculation Time and the relevant Conversion Time (both dates inclusive), any New Ordinary Shares arising on Conversion of the C Shares will not rank for such dividend.

Timetable, Admission and Settlement

Date of this Announcement

2 July 2020

Launch of PrimaryBid Offer	2 July 2020
Latest time and date for receipt of placing commitments under the Placing	1:00 p.m. on 10 July 2020
Publication of results of the of the Issue	10 July 2020
Admission and commencement of dealings in new C Shares pursuant to the Placing	8:00 a.m. on 15 July 2020
Admission and commencement of dealings in new C Shares pursuant to the PrimaryBid Offer	8:00 a.m. on 16 July 2020

Application will be made to the London Stock Exchange for any new C 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 ("**Placing Admission**"). Application will also be made to the London Stock Exchange for any new C Shares issued pursuant to the PrimaryBid Offer 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 ("**PrimaryBid Admission**").

The PrimaryBid Offer is conditional upon Placing Admission becoming effective prior to PrimaryBid Admission.

The terms and conditions on which the PrimaryBid Offer is made, including the procedure for application and payment for C Shares, is available at www.PrimaryBid.com.

The Company's Board may decide not to proceed with the Issue for any reason. In this case, an announcement will be made by the Company.

Unless otherwise defined, capitalised terms in this announcement shall have the meaning given to them in the Prospectus. Investors should refer to the Prospectus, a copy of which is available on the Company's website www.hipgnosissongs.com/, subject to certain access restrictions.

The Family (Music) Limited
Merck Mercuriadis

Tel: +44 (0)1481 742742

PrimaryBid Limited
Kieran D'Silva / James Deal

Tel: + 44 (0) 203 026 4750

This Announcement should be read in its entirety. In particular, the information provided in the "**Important Notices**" section of this Announcement should be read and understood.

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 £625 million (gross equity capital) through its Initial Public Offering on 11 July 2018, and subsequent issues in April 2019, August 2019 and October 2019. 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.

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 Stewart, Bill Leibowitz, Ian Montone, and Jason Flom.

Important Notices

This Announcement has been issued by and is the sole responsibility of the Company.

Persons distributing this Announcement must satisfy themselves that it is lawful to do so. This Announcement is for information purposes only and shall not constitute an offer to sell or issue or the solicitation of an offer to buy, subscribe for or otherwise acquire securities in any jurisdiction in which any such offer or solicitation would be unlawful. Any failure to comply with this restriction may constitute a violation of the securities laws of such jurisdictions. Persons needing advice should consult an independent financial adviser.

The distribution of this Announcement and the offering, placing and/or issue of C Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or any of its affiliates, agents, directors, officers or employees that that would permit an offer of C Shares or possession or distribution of this Announcement or any other offering or publicity material relating to such C Shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company to inform themselves about and to observe any such restrictions.

THIS ANNOUNCEMENT AND THE INFORMATION CONTAINED HEREIN, IS RESTRICTED AND IS NOT FOR PUBLICATION, RELEASE OR DISTRIBUTION, DIRECTLY OR INDIRECTLY, IN WHOLE OR IN PART, IN OR INTO THE UNITED STATES OF AMERICA, ITS TERRITORIES AND POSSESSIONS, ANY STATE OF THE UNITED STATES OR THE DISTRICT OF COLUMBIA (COLLECTIVELY, THE "UNITED STATES"), AUSTRALIA, CANADA, THE REPUBLIC OF SOUTH AFRICA, JAPAN OR JERSEY OR ANY OTHER JURISDICTION IN WHICH SUCH PUBLICATION, RELEASE OR DISTRIBUTION WOULD BE UNLAWFUL. FURTHER, THIS ANNOUNCEMENT IS FOR INFORMATION PURPOSES ONLY AND IS NOT AN OFFER OF SECURITIES IN ANY JURISDICTION. THIS ANNOUNCEMENT HAS NOT BEEN APPROVED BY THE LONDON STOCK EXCHANGE, NOR IS IT INTENDED THAT IT WILL BE SO APPROVED.

This Announcement or any part of it does not constitute or form part of any offer to issue or sell, or the solicitation of an offer to acquire, purchase or subscribe for, any securities in the United States, Canada, Australia, the Republic of South Africa, Japan or any other jurisdiction in which the same

would be unlawful. No public offering of the securities referred to herein is being made in any such jurisdiction.

This communication is not a public offer of securities for sale in the United States. The securities referred to herein have not been and will not be registered under the US Securities Act 1933, as amended (the "**Securities Act**") or under the securities laws of any state or other jurisdiction of the United States, and may not be offered or sold directly or indirectly in or into the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with the securities laws of any state or any other jurisdiction of the United States. The securities referred to herein may not be offered and sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Certain statements contained in this Announcement constitute "forward-looking statements" with respect to the financial condition, performance, strategic initiatives, objectives, results of operations and business of the Company. All statements other than statements of historical facts included in this Announcement are, or may be deemed to be, forward-looking statements. Without limitation, any statements preceded or followed by or that include the words "targets", "plans", "believes", "expects", "aims", "intends", "anticipates", "estimates", "projects", "will", "may", "would", "could" or "should", 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; and (ii) business and management strategies and the expansion and growth of the Company's operations. Such forward-looking statements involve risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors could cause actual results, performance or achievements to differ materially from those projected or implied in any forward-looking statements. The important factors that could cause the Company's actual results, performance or achievements to differ materially from those in the forward-looking statements include, among others, the macroeconomic and other impacts of COVID-19, economic and business cycles, the terms and conditions of the Company's financing arrangements, foreign currency rate fluctuations, competition in the Company's principal markets, acquisitions or disposals of businesses or assets and trends in the Company's principal industries. 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 hereof. In light of these risks, uncertainties and assumptions, the events described in the forward-looking statements in this Announcement may not occur. The forward-looking statements contained in this Announcement speak only as of the date of this Announcement. The Company and its directors each expressly disclaim any obligation or undertaking to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, unless required to do so by applicable law or regulation, the Listing Rules, the Market Abuse Regulation, the Disclosure Guidance and Transparency Rules, the rules of the London Stock Exchange or the FCA.

Any indication in this Announcement of the price at which ordinary shares have been bought or sold in the past cannot be relied upon as a guide to future performance. No statement in this Announcement is intended as a profit forecast or estimate for any period and no statement in this Announcement should be interpreted to mean that earnings, earnings per share or income, cash flow from operations or free cash flow for the Company, as appropriate, for the current or future years

would necessarily match or exceed the historical published earnings, earnings per share or income, cash flow from operations or free cash flow for the Company.

Neither the content of the Company's website (or any other website) nor the content of any website accessible from hyperlinks on the Company's website (or any other website) is incorporated into or forms part of this Announcement. The C Shares to be issued or sold pursuant to the PrimaryBid Offer will not be admitted to trading on any stock exchange other than the London Stock Exchange.

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 C Shares have been subject to a product approval process, which has determined that the C Shares to be issued pursuant to the PrimaryBid Offer 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 C Shares may decline and investors could lose all or part of their investment; the C Shares offer no guaranteed income and no capital protection; and an investment in the 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.

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 C Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of 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 C Shares to be issued pursuant to the PrimaryBid Offer and the Ordinary Shares has been prepared by Hipgnosis Songs Fund Limited and is available to investors at www.hipgnosissongs.com/disclaimer.

Investors should make their own investigations into the merits of an investment in the Company. Nothing in this Announcement amounts to a recommendation to invest in the Company or amounts to investment, taxation or legal advice.

It should be noted that a subscription for C Shares and investment in the Company carries a number of risks. Investors should consider the risk factors set out on PrimaryBid.com before making a decision to subscribe for C Shares. Investors should take independent advice from a person experienced in advising on investment in securities such as the C Shares if they are in any doubt.

END