

9 September 2020

## **Hipgnosis Songs Fund Limited (“Hipgnosis” or the “Company”)**

### **Conversion of C Shares and Update to Dividend Target**

The Board of Hipgnosis Songs Fund Limited, the first and only UK listed investment company offering investors a pure-play exposure to songs and associated intellectual property rights, and its Investment Adviser, The Family (Music) Limited, announce that the Company has invested approximately 82% of the net proceeds from its July C Share fundraising in accordance with its Investment Objective and Policy. Accordingly, the Board is pleased to announce that the Company intends to convert the C Shares (Ticker: SONC) into Ordinary Shares (Ticker: SONG) (the "Conversion") in accordance with the provisions of its articles of incorporation as amended at the AGM held yesterday.

In addition, having substantially invested the C Share proceeds into some of the finest Songs of the last 40 years, and with streaming continuing to grow in line with pre-Covid 19 expectations, the Board is also delighted to announce an increase in the Company's target dividend to 5.25p per Ordinary Share per annum<sup>1</sup>. The Company will target the payment of four equal quarterly dividends of 1.3125p per Ordinary Share commencing from the next interim dividend for the period from 1 July 2020 to 30 September 2020 which is expected to be declared in October 2020. This reflects the Board's, and the Investment Adviser's, confidence in the uncorrelated and reliable nature of Songs' income during the global Covid-19 crisis as well as the growth in global recorded music revenues driven by streaming.

#### **Conversion of C Shares**

The Calculation Time, being the close of business on the date on which the Conversion Ratio will be calculated, will be 30 September 2020. The calculation of the Conversion Ratio will be based on the net assets attributable to the Ordinary Shares and C Shares as at close of business on 30 September 2020. The Conversion Ratio is expected to be announced with the Company's interim results in December 2020, together with the expected date when such Conversion will occur and the number of new Ordinary Shares to be issued.

Terms used in this announcement shall, unless the context otherwise requires, bear the meanings given to them in the Prospectus published by the Company on 27 September 2019.

**Merck Mercuriadis, Founder of Hipgnosis Songs Fund Limited and The Family (Music) Limited, said:** “It's been a long summer focused on acquisitions and active management but I'm delighted with our progress and look forward to detailing it all for our investors at our Capital Markets Day on Friday.”

<sup>1</sup>*This is a target only and there can be no assurance that the target can or will be met and should not be taken as an indication of the Company's expected or actual future results. Accordingly, current and potential investors should not place any reliance on this target when making an investment decision or assume that the Company will meet this target or make any future distributions at all and should decide for themselves whether or not the target dividend yield is reasonable or achievable.*

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## **NOTES TO EDITORS**

### **About Hipgnosis Songs Fund Limited**

([www.hipgnosissongs.com](http://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 £860 million (gross equity capital) through its Initial Public Offering on 11 July 2018, and subsequent issues in April 2019, August 2019, October 2019 and July 2020. 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, Jason Flom, Rodney Jerkins, Bjorn Lindvall and Chris Helm.