

6 January 2021

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

Increased Debt Facility

The Board of Hipgnosis Songs Fund Limited, the first 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, are pleased to announce that the Company has entered into an agreement with a syndicated group of lenders, with JPMorgan Chase Bank as Lead Arranger, to increase its Revolving Credit Facility from \$400 million to \$600 million. The Company may request an increase in the Revolving Credit Facility commitment by a further \$150 million subject to certain conditions. The increased Revolving Credit Facility will be used in line with the Company's proposed financing strategy, and, in accordance with the Company's investment policy, total borrowings will not exceed 30% of Net Asset Value¹. As the Company grows, and given the now significant size of the Revolving Credit Facility, the Company and its Investment Adviser are continuously exploring and evaluating the most appropriate long term gearing strategy to support growth in shareholder value.

In addition to the increase in the Revolving Credit Facility, the LIBOR floor used to calculate interest payments has been removed thereby reducing the Company's cost of debt.

¹*Net Asset Value is calculated as the value of the gross assets of the Company less its liabilities (including accrued but unpaid fees) determined by the Directors in their absolute discretion in accordance with the accounting policies adopted by the Directors, from time to time, to be adjusted so as to reflect the fair value of intangible assets held at the relevant reporting date*

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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 £1.05 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 and September 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, and in March 2020 became a constituent of the FTSE 250 Index.

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, Rodney Jerkins, Bjorn Lindvall and Chris Helm.