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This announcement contains Inside Information as defined under the Market Abuse Regulation (EU) No. 596/2014.

21 January 2021

HIPGNOSIS SONGS FUND LIMITED

(the “Company” or “Hipgnosis”)

INITIAL PLACING, OFFER FOR SUBSCRIPTION AND INTERMEDIARIES OFFER OF NEW ORDINARY SHARES AND PLACING PROGRAMMES,

PUBLICATION OF CIRCULAR AND NOTICE OF EXTRAORDINARY GENERAL MEETING

AND

INTERIM DIVIDEND ANNOUNCEMENT

The Board of Hipgnosis Songs Fund Limited, the first UK listed 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 an Initial Placing, Offer for Subscription and Intermediaries Offer of new Ordinary Shares of the Company (the “**New Ordinary Shares**”) at a price of 121 pence per Ordinary Share (the “**Initial Issue Price**”) (the “**Initial Issue**”) and new Placing Programmes of new Ordinary Shares and/or C Shares (the “**Placing Programmes**”).

The Company expects to use the net proceeds of the Initial Issue to acquire an attractive pipeline of Catalogues that The Family (Music) Limited (the “**Investment Adviser**”) has identified in line with the Company’s investment policy (the “**Pipeline Catalogues**”). The Pipeline Catalogues contain some of the most influential and successful songs of all time, and offer substantial revenue growth opportunities through Song management.

Initial Issue Highlights

- The Initial Issue Price represents a:
 - 1.2% discount to the closing Ordinary Share price of 122.5 pence on 20 January 2021
 - 2.3% premium to the Adjusted Operative NAV of 118.31 pence per Ordinary Share, being the last reported Operative NAV per Ordinary Share of 125.35p as at 30 September 2020 adjusted for:

- a decrease in the Net Asset Value at 30 September 2020 of 6.78 pence per Ordinary Share to reflect the strengthening of the GBP to USD exchange rate from 1.2848 on 30 September 2020 to 1.3652 on 20 January 2021,
 - unaudited accrued earnings of 2.08 pence per Ordinary Share for the period from 1 October 2020 to 20 January 2021,
 - 1.04 pence per Ordinary Share in respect of the interim dividend of 1.3125 pence per Ordinary Share for the period from 1 July 2020 to 30 September 2020, which was declared “ex” and paid in November 2020 in respect of the Ordinary Shares in issue at that time, and
 - 1.3125 pence per Ordinary Share in respect of the interim dividend for the period from 1 October 2020 to 31 December 2020, which is declared in this announcement.
- The Investment Adviser believes the Initial Issue will enable the Company to create further value for Shareholders by acquiring attractive Catalogues, which the Investment Adviser believes offer revenue growth opportunities through its Song Management, as well as increasing the diversity of the portfolio
 - The Initial Issue, which is not underwritten, is conditional, amongst other things, upon the approval of a prospectus in connection with the Initial Issue by the FCA (expected later today), Admission (as defined below) occurring no later than 8.00 a.m. on 10 February 2021 (or such later time and/or date as the Company and the Joint Bookrunners may agree) and the Placing Agreement not being terminated and becoming unconditional in accordance with its terms. If these conditions are not met, the Initial Issue will not proceed and an announcement to that effect will be made via a Regulatory Information Service (“**RIS**”)
 - The Company expects to deploy the net proceeds of the Initial Issue within three months of Admission
 - The Placing Programmes will remain open until 20 January 2022
 - Any class of C Shares to be issued pursuant to a Subsequent Placing under the Placing Programmes will carry the right to vote in accordance with the Company’s Articles, and will be entitled to participate in any dividends in relation to the assets attributable to the Subsequent Placing
 - Nplus1 Singer Capital Markets Limited (together with Nplus1 Singer Advisory LLP (“**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 Initial Issue (the “**Joint Bookrunners**”). Nplus 1 Singer Advisory LLP is acting as sponsor in relation to the Initial Issue and the Placing Programmes
 - Applications will be made for the New Ordinary Shares to be admitted to listing on the Premium listing segment of the Official List of the FCA and to trading on the London Stock Exchange’s main market for listed securities (“**Admission**”)
 - Prospective investors in the Initial Placing will be able to elect to settle payment for the New Ordinary Shares in Sterling or US Dollars¹. The relevant Sterling/US Dollar exchange rate used to convert the Initial Issue Price will be fixed at the time the Initial Placing closes, and will be announced through an RIS

Interim Dividend

The Company also declares an interim dividend of 1.3125 pence per share on the existing Ordinary Shares in respect of the period from 1 October 2020 to 31 December 2020 (the “**Interim Dividend**”).

The Interim Dividend will be payable to Shareholders on the register as at 29 January 2021 with an associated ex-dividend date of 28 January 2021 and a payment date of 18 February 2021.

Any investors participating in the Initial Issue will not be eligible to receive the Interim Dividend payment in respect of any New Ordinary Shares issued to them as part of the Initial Issue.

Prospectus and Circular

Further details of the Initial Issue, Placing Programmes and Admission will be set out in the Prospectus, which, once approved by the FCA, and together with a Circular, is expected to be available shortly, on the Company's website at www.hipgnosissongs.com. The Company will release a further announcement upon the publication of the Prospectus.

Copies of the Prospectus and the Circular will be submitted to the National Storage Mechanism and will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>.

The Circular convening the Extraordinary General Meeting at which the Directors are seeking authority to disapply pre-emption rights to enable the Company to issue its full authority of Shares, if necessary, pursuant to the Initial Issue and Placing Programmes, will be posted to Shareholders today.

Indicative timetable

Publication of the Prospectus and Circular, Initial Placing, Offer for Subscription and Intermediaries Offer open	21 January 2021
Latest time and date for applications under the Offer for Subscription/Intermediaries Offer and the payment in full under the Offer for Subscription/Intermediaries Offer and settlement of relevant CREST instructions (as appropriate) ²	11.00 a.m. on 4 February 2021
Extraordinary General Meeting	10.00 a.m. on 5 February 2021
Latest time and date for receipt of placing commitments under the Initial Placing ²	12.00 p.m. on 5 February 2021
Publication of results of the Initial Issue	5 February 2021
Initial Admission and commencement of dealings in the New Ordinary Shares issued pursuant to the Initial Issue	8.00 a.m. on 10 February 2021
CREST accounts credited	10 February 2021
Where applicable, definitive share certificates despatched by post	Approximately two weeks following Initial Admission

Notes

¹ Prospective investors in the Initial Placing that elect to settle payment for the New Ordinary Shares in US Dollars will receive New Ordinary Shares traded in Sterling with the dealing codes SONG (ticker) and BFYT9H7 (SEDOL).

² The Board may, subject to prior approval from the Joint Bookrunners, bring forward or postpone the closing time and date for the Initial Issue. In the event that such date is changed, the Company will notify investors who have applied for New Ordinary Shares of changes by post, email, or by publication via a RIS.

References to times are to London times.

Dealing codes

ISIN for the Ordinary Shares	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
Company's Legal Entity Identifier (LEI)	213800XJIPNDVKXMOC11

Any capitalised terms used but not otherwise defined in this announcement have the meaning set out in the Prospectus to be published by the Company in connection with the Initial Issue and Placing Programmes.

For further information, please contact:

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Merck Mercuriadis

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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, manager or 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.

IMPORTANT NOTE

All offers of shares 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, 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. In addition, the Company's shares referred to herein have not been and will not be registered under the US Securities Act of 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 in 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 any applicable securities laws of any state or other jurisdiction of the United States. The offer and sale of Company's shares referred to herein has not been and will not be registered under the Securities Act or 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 Initial Issue and each Subsequent Placing. They will not regard any other person as their respective clients in relation to the Initial Issue and each Subsequent Placing and will not be responsible to anyone other than the Company for providing the regulatory protections afforded to their respective clients, nor for providing advice in relation to the Initial Issue and each Subsequent 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 Initial Issue and each Subsequent 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 Initial Issue and each Subsequent 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 the 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 the 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.

The Company has a limited operating 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. 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: (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; and/or (d) (where applicable to UK investors or UK firms) the relevant provisions of the UK statutory instruments implementing Directive 2014/65/EU and Commission Delegated Directive (EU) 2017/593, and the Regulation (EU) No 600/2014 of the European Parliament, which is part of UK law by virtue of the European Union (Withdrawal) Act 2018, as amended (together, the "**UK MiFID Laws**") (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 have been subject to a product approval process, which has determined that the Ordinary Shares to be issued pursuant to the Initial Issue 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 or the UK MiFID Laws (as applicable); and (ii) eligible for distribution through all distribution channels as are permitted by Directive 2014/65/EU or the UK MiFID Laws, as applicable (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 Initial Issue and the Placing Programmes. 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 Directive 2014/65/EU or the UK MiFID Laws, as applicable; 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.hipgnosisongs.com. If a new class of C Shares is issued under the Placing Programmes, the Company will make available a key information document in relation to such class of C Shares as required under the UK PRIIPs Laws.

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".

