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5 February 2021

**HIPGNOSIS SONGS FUND LIMITED**

**(the “Company” or “Hipgnosis”)**

**Successful Fundraise of £75 million**

**and**

**Result of Extraordinary General Meeting**

Further to its announcement on 21 January 2021, 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 that the Company has successfully raised total gross proceeds of £75 million by way of the Initial Placing, Offer for Subscription and Intermediaries Offer.

In addition, at the Extraordinary General Meeting (“EGM”) of the Company held at 10.00 am today, the special resolution was passed without amendment by the requisite majority.

**Merck Mercuriadis, Founder of Hipgnosis Songs Fund Limited and The Family (Music) Limited, said:**

“2020 was a transformational year for Hipgnosis. Against one of the most challenging economic backdrops of our lives, we raised more capital than any other listed investment fund, outperformed the FTSE 250 index by 21.5% and paid a fully covered dividend of over 5 pence per share, which places us as the 35th highest dividend yielding company on the FTSE 250. Whilst we would not have wished for a pandemic to prove our thesis that music is a highly investable asset class generating uncorrelated returns, it has done exactly that. In just over two years from IPO to our latest results announcement as at 30 September 2020, we have generated a Total NAV Return of 37.9% for our shareholders, a 40.4% outperformance of the FTSE 250 over the same period.

That momentum continues, and 2021 is off to our strongest start ever, with some of the most important catalogue acquisitions we have made to date being announced. The new prospectus underpins our plans for marketing into new audiences and fundraising for the rest of the year and I’m delighted with the excellent first step we have made with a successful raise of £75 million, over USD\$100 million. Once again, I am incredibly appreciative of the support from both our existing and new shareholders and equally the incredible songwriters who have entrusted us with their iconic songs. We look forward to investing further into our pipeline of proven and culturally important songs and actively managing these incredible songs to enhance their legacy and maximise income as we seek to provide exceptional risk adjusted returns for shareholders. To top it off we have both the Number 1 and Number 2 airplay songs in the UK this week with Miley Cyrus featuring Dua Lipa and Justin Bieber respectively, both written by our songwriter Stefan Johnson.”

**Result of Initial Issue**

A total of 61,983,471 New Ordinary Shares have been placed by the Joint Bookrunners to new and existing investors at a price of 121 pence per Ordinary Share, raising gross proceeds of £75 million.

### Directors' participation in the Initial Issue

The following Directors have subscribed for New Ordinary Shares pursuant to the Initial Issue as outlined below:

<i>Director</i>	<i>Number of New Ordinary Shares subscribed to pursuant to the Initial Issue</i>	<i>Existing number of Ordinary Shares held</i>	<i>Resulting number of Ordinary Shares held</i>
Andrew Wilkinson	8,264	58,257	66,521
Sylvia Coleman	8,265	30,436	38,701

### US Dollar Settlement

For investors in the Initial Placing that have elected to settle payment for the New Ordinary Shares in US Dollars, the relevant Sterling/US Dollar exchange rate used to convert the Initial Issue Price has been fixed at \$1.36880 per £1.

### Admission and Total Voting Rights

Applications have been made for 61,983,471 New Ordinary Shares to be admitted to the premium listing segment of the Official List and to trading on the London Stock Exchange's main market for listed securities ("**Admission**"). It is expected that Admission will become effective and that dealings will commence at 8.00 a.m. on 10 February 2021.

Following Admission, the Company will have 1,073,440,268 Ordinary Shares in issue. The Company does not hold any Ordinary Shares in treasury. Therefore, the total number of voting rights of the Company will be 1,073,440,268 and this figure may be used by shareholders as the denominator for the calculations by which they will determine if they are required to notify their interest, or a change to their interest in, the Company under the FCA's Disclosure Guidance and Transparency Rules.

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

### Result of Extraordinary General Meeting

#### Special Resolution 1

**THAT** the Company disapply the pre-emption rights in respect of the issue (or sale out of treasury) to any person or persons of up to 1.5 billion Issue Shares to be issued pursuant to the Initial Issue and Placing Programmes (the "**Proposal**") as detailed in the Circular sent by the Company to its Shareholders on 21 January 2021. Save where the context requires otherwise, the definitions contained in the Circular shall have the same meanings where used in this Resolution.

Votes cast over which the Chairman had been appointed as proxy were as follows:

<b>Resolution</b>	<b>Votes For</b>	<b>Votes Against</b>	<b>Votes Withheld*</b>
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1 – Special	635,651,852	98.60%	9,035,947	1.40%	318,100
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\*A vote withheld is not a vote in law and is therefore not counted towards the proportion of votes “for” or “against” the Resolution.

**For further information, please contact:**

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Merck Mercuriadis

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Will Smith / Elliot Thomas / Lauren Davies (Corporate Finance)  
Lisa Tugwell (Sales)

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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 £1.1 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, September 2020 and February 2021. 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 Nile Rodgers, 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.

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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.hipgnosissongs.com](http://www.hipgnosissongs.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".

