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Hipgnosis Songs Fund Limited

28 September 2023

For immediate release

Hipgnosis Songs Fund Limited
Publication of Circular and Notice of General Meetings

On 14 September 2023, Hipgnosis Songs Fund Limited ("**Hipgnosis**" or the "**Company**") announced that it had entered into a transaction to sell a portfolio of 29 music catalogues to Hipgnosis Songs Capital, the trading name of Hipgnosis SC IV (Delaware) L.P. (the "**Buyer**") for aggregate cash consideration of \$440 million (the "**Transaction**").

Further to such announcement, the Company announces that the circular relating to the Transaction (the "**Circular**") has been approved by the UK Financial Conduct Authority and has been published today. The Circular will shortly be posted to the Company's shareholders that have elected to receive hard copies of shareholder documentation.

Following the announcement on 14 September 2023, the Board has continued to engage with shareholders on the strategic rationale and merits of the Transaction. The Board and the Investment Adviser firmly believe that the Company has a unique portfolio of iconic, culturally significant songs that will deliver strong long-term value as they benefit from the structural tailwinds in the music industry. Furthermore, the Board believes that the Investment Adviser's approach to Song Management should enable the Company to outperform the wider music market. This has been evidenced by the 44% total return, including right to income, transaction fees and expected taxes, realised since acquisition on the Transaction. Furthermore, the Board and the Investment Adviser are committed to ensuring that this value is achieved for shareholders by a re-rating of the share price and are determined to deliver on the ongoing opportunity of the Company.

Against this backdrop, the Board and Investment Adviser have included in the Circular the following actions which will provide shareholders with greater opportunities to realise value in a shorter timeframe should the share price re-rating not occur:

- The Board has resolved that, if the Continuation Resolution is approved at the 2023 Annual General Meeting, the Directors will put a further Continuation Resolution to Shareholders at an extraordinary general meeting in January 2026, again at the Annual General Meeting to be held in 2028 and at every third Annual General Meeting thereafter;
- The Board and the Investment Adviser have agreed certain further amendments to the Investment Advisory Agreement between the Company and the Investment Adviser such that (subject to the Continuation Resolution being passed) the Investment Advisory Agreement will be terminable by the Company on 12 months' notice; and
- If the Company's share price stands at an average discount to Operative NAV (as determined at the time of publication of the interim report for the period to 30 September 2024) of 10% or more, measured on average over the month of January 2025, the Board intends to serve notice to terminate the Investment Advisory Agreement. The Board may withdraw the notice before the effective date of termination if it considers it to be in the interests of shareholders to do so.

Andrew Sutch has informed the Board that he will step down as Chair and retire as a director of the Company once a suitable replacement is found and, in any event, at or before the Company's annual general meeting in 2024. The Company will now commence a process to recruit a new Chair. In addition, Andrew Wilkinson has also informed the Board that he intends to retire as a director before the end of 2023, thereby reducing the Board to five directors. The Board intends to appoint Cindy Rampersaud, who joined the Board as an Independent Non-Executive Director on 1 August 2023, to the role of chair of the Company's Audit and Risk Management Committee upon Andrew Wilkinson's retirement.

The Transaction constitutes a related party transaction for Hipgnosis under the Listing Rules and completion of the Transaction is conditional upon, among other things, the approval of the Company's shareholders at a general meeting of the Company. Accordingly, the Circular contains a notice convening an extraordinary general meeting of the Company which is to be held at 10:30am on 26 October 2023 at United House, 9 Pembridge Road, Notting Hill, London, W11 3JY, United Kingdom (the "**Extraordinary General Meeting**") at which an ordinary resolution will be proposed for the Company's shareholders to approve the Transaction.

In addition, the terms of the Transaction include a "Go-Shop" provision, pursuant to which the Board is entitled to solicit alternative offers for a period of 40 days from 14 September 2023, and the Board has recently confirmed that credible third parties are already engaged in this Go-Shop process.

The Circular also incorporates a notice convening the annual general meeting of the Company which is to be held at 10:00am on 26 October 2023 at United House, 9 Pembridge Road, Notting Hill, London, W11 3JY, United Kingdom (the "**2023 Annual General Meeting**" and, together with the Extraordinary General Meeting, the "**Meetings**") at which resolutions will be proposed for the Company's shareholders to approve, amongst other things, an on-market share buy back programme and the continuation by the Company of its business as a closed-ended investment company.

If shareholders are unable to attend and vote in person, the directors of the Company strongly recommend that shareholders vote by proxy as soon as possible. Further information as to how to vote by proxy can be found in the notices of the Meetings contained in the Circular. The expected timetable of principal events, as contained in the Circular, is as follows:

	Time and Date
Start of Go-Shop Period	14 September 2023
Publication of the Circular	28 September 2023
End of Go-Shop Period ¹	11:59 p.m. on 23 October 2023
Latest time for receipt of individual blue Forms of Proxy for the 2023 Annual General Meeting	10:00 a.m. on 24 October 2023
Latest time for receipt of individual white Forms of Proxy for the Extraordinary General Meeting	10:30 a.m. on 24 October 2023
Voting Record Time for the 2023 Annual General Meeting and the Extraordinary General Meeting	6:30 p.m. on 24 October 2023 ²
2023 Annual General Meeting	10:00 a.m. on 26 October 2023
Extraordinary General Meeting	10:30 a.m. on 26 October 2023 ³

¹ The Board will publish an announcement through the Regulatory Information Service of the London Stock Exchange as soon as practicable following the end of the Go-Shop Period and/or Matching Right Period, to update shareholders of the outcome of the Go-Shop Process.

² If either of the Meetings is adjourned, the Voting Record Time for the relevant reconvened Meeting will be 6:30 p.m. on the day which is two calendar days before the date set for the relevant reconvened Meeting.

³ The Extraordinary General Meeting will commence at the time stated above or as soon thereafter as the 2023 Annual General Meeting has been concluded or adjourned.

The timetable may be subject to change. If any of the above times and/or dates change, the revised times and/or dates will be notified to shareholders by an announcement through the Regulatory Information Service of the London Stock Exchange.

If the Go-Shop Process concludes with no Superior Proposal having been received, the Board expects the Annual General Meeting and Extraordinary General Meeting will proceed on the date stated in this announcement. In the event a Superior Proposal is received during the Go-Shop Period and the Buyer exercises its matching right, the Board expects it may be necessary to adjourn the Shareholder Meetings to a later date in November 2023. In the event the Board receives a Superior Proposal, the Matching Right

Period has expired without the Buyer having matched (or improved upon) such Superior Proposal and the Asset Sale Agreement is terminated in favour of such Superior Proposal, the Board expects that the Extraordinary General Meeting will be adjourned and not rescheduled, and the Annual General Meeting will be rescheduled in November 2023

A copy of the Circular will be submitted to the National Storage Mechanism and the Circular will shortly be available for inspection at <https://data.fca.org.uk/#/nsm/nationalstoragemechanism>. In addition, a copy of the Circular will be available for inspection on the Company's website at <https://www.hipgnosissongs.com/song-investors/company-documents> from the date of the Circular up to and including the conclusion of the Extraordinary General Meeting.

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