

23 January 2024

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

Publication of Circular

Update to Strategic Review

Publication of circular

On 18 January 2024, the Newly Constituted Board of Hipgnosis Songs Fund announced its proposal to amend the Articles of the Company, by way of a special resolution, to enshrine the payment of a fee, at the Newly Constituted Board's discretion, of up to £20 million (in aggregate) by the Company to any prospective bidder(s) who approaches the Newly Constituted Board seeking to make an acquisition of the assets of the Company on terms recommendable to shareholders. The Proposal is being recommended by the Newly Constituted Board to ensure that prospective offerors are not deterred from seeking to engage with the Company regarding a recommendable offer for the Company's assets as a result of the terms of the Investment Adviser's Call Option.

The Newly Constituted Board has requested for the Investment Adviser, Hipgnosis Songs Management, which is majority owned by funds managed and/or advised by Blackstone, to unconditionally remove the Call Option from its Investment Advisory Agreement with immediate effect to act in the best interests of shareholders as a whole. This request has been refused.

Further to such announcement, the Company announces that the Circular has been published today. The Circular will be posted to Shareholders that have elected to receive hard copies of Shareholder documentation today and will also be available on the Company's website at www.hipgnosissongs.com/song-investors/company-documents/. The Circular incorporates the Notice of Extraordinary General Meeting which is to be held at 09.00 a.m. on 7 February 2024 at 1 Bow Churchyard, London, EC4M 9DQ at which the Resolution will be proposed for Shareholders to approve.

If Shareholders are unable to attend and vote in person, the Directors strongly recommend that shareholders vote by completing a Form of Proxy as soon as possible. Further information as to how to vote by completing a Form of Proxy can be found in the Notice of Extraordinary General Meeting contained in the Circular.

Update to strategic review

As a result of the failed continuation vote of the Company, where 83% of shareholder votes were cast against the resolution, the Newly Constituted Board is continuing its strategic review looking at all options to be considered for the future of the Company, with the aim of maximising value for our shareholders. As announced on 11 December 2023, the Company has appointed Shot Tower Capital, LLC to conduct due diligence on the Company's assets as part of this review, work which is ongoing.

Furthermore, the Newly Constituted Board notes the statements made by two independent research reports, which assert that the 29 Catalogues proposed to be sold to Hipgnosis Songs Capital, a fund also managed by the Investment Adviser, which is majority owned by funds managed and/or advised by Blackstone, were growing at materially higher rates to the overall portfolio and were therefore “cherry picked” for sale to Hipgnosis Songs Capital. The Newly Constituted Board is investigating whether this is the case, and if so, whether this was properly and fully disclosed to the previous Board in the investment papers, which included the recommendation provided by Hipgnosis Song Management, and therefore whether the previous Board were provided with the relevant information to enable them to make a decision in the best interests of shareholders.

Except as otherwise defined, capitalised terms in this announcement have the meaning given to them in the Circular published today.

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